



Notice of Request for Proposal

SOLICITATION NO.: RT09-003

PAGE
1
OF
81

VENDOR: Distribution Copy

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

Solicitation Contact Person:

Bob Wittsell, Procurement Manager
Arizona State Retirement System
E-Mail: BackOfficeRFP@azasrs.gov
Solicitation Issue Date: October 24, 2008

Preproposal Conference: November 10, 2008
9:00 AM, MST
Arizona State Retirement System
Board Room – 10th floor
3300 N. Central Avenue
Phoenix, AZ 85012

Vendor Contact Name:**Company:****Address:**

Phone: , **Fax:**

Email: , **Web:**

DESCRIPTION:

SEPARATE ACCOUNT MANAGEMENT AND BACK OFFICE INVESTMENT ADMINISTRATIVE SERVICES RFP NO. RT09-003

PROPOSAL DUE DATE: **DECEMBER 11, 2008**

AT 3:00 P.M. MST

PLEASE NOTE - If this document is downloaded from the State Procurement Office (SPO) website <http://www.azdoa.gov/spo/solicitation-information/solicitation-information> or from <http://www.azasrs.gov/web/OpenSolicitations.do>, the ASRS website, it is the responsibility of all interested in responding to this solicitation, to verify the issuance of an amendment prior to the RFP closing date. Amendments may be posted at either of the websites listed above, however it is recommended that all interested in responding to this solicitation should send an email to BackOfficeRFP@azasrs.gov requesting to be added to the respondents list for this solicitation. In the event an amendment is issued, it will be emailed to each respondent on that list.


In accordance with A.R.S. § 41-2534, competitive sealed proposals for the materials or services specified will be received by the Arizona State Retirement System at 3300 N. Central Avenue, 13th Floor, Attn: Procurement Department, Phoenix, AZ 85012, until the time and date cited. Proposals received by the correct time and date will be opened and the name of each offeror will be publicly read.

Proposals must be in the actual possession of the Arizona State Retirement System on or prior to the time and date and at the location indicated above. **Late proposals will not be considered except as provided by the Arizona Procurement Code. Proposals submitted by facsimile, telegraphic or mailgram shall be rejected.**

Proposals must be submitted in a sealed envelope or package with the Solicitation number and the offeror's name and address clearly indicated on the envelope or package. All proposals must be completed in ink or typewritten. Additional instructions for preparing proposal are included in this notice.


Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the appropriate Procurement Agency. Requests should be made as early as possible to allow time to arrange the accommodation. A person requiring special accommodations may contact the solicitation contact person responsible for this procurement as identified above.

OFFERORS ARE STRONGLY ENCOURAGED TO CAREFULLY READ THE ENTIRE SOLICITATION.

	Table of Contents		Arizona State Retirement System 3300 N. Central Avenue, Suite 1300 Phoenix, AZ 85012
	SOLICITATION NO.: RT09-003	PAGE 2	
	VENDOR: Distribution Copy	OF 81	

Update page numbers if applicable, upon proposal submittal

Section	<u>Solicitation Page</u>	<u>Proposal Page</u>
Offer and Acceptance	3	
Scope of Work	4	
Uniform Instructions to Offerors	9	
Special Instructions to Offerors	13	
Uniform Terms and Conditions	18	
Special Terms and Conditions	25	
Pricing Schedule	33	
Attachment A – Questionnaire	34	
Attachment B – Offeror’s Experience	40	
Attachment C – Narrative	44	
Attachment D - Exceptions	45	
Exhibit A – Initial Capital Call Form	46	
Exhibit B – Subsequent Capital Call Form	50	
Exhibit C – Private Limited Partnership Activity	54	
Exhibit D1 – Private Limited Partnership Reconciliation PE SCNA	57	
Exhibit D2 – Private Limited Partnership Reconciliation PE SNE	60	
Exhibit D3 – Private Limited Partnership Reconciliation PE 06-30-08	61	
Exhibit E1 – Private Equity Cash Flows	62	
Exhibit E2 – RE Cash Flows	66	
Exhibit F – Track Record Presentation	73	
Exhibit G – Investment Manager List	75	
Exhibit H – Summary of Services	77	
Exhibit I – Back Office Transition Plan	78	

	Offer and Acceptance		Arizona State Retirement System 3300 N. Central Avenue, Suite 1300 Phoenix, AZ 85012
	SOLICITATION NO.: RT09-003	PAGE 3	
	VENDOR: Distribution Copy	OF 81	

OFFER

TO THE STATE of ARIZONA:

The Undersigned hereby offers and agrees to furnish the service in compliance with all terms, conditions, specifications and amendments in the Solicitation and any written exceptions in the offer. Signature also certifies Small Business status.

Federal Employer ID No. _____

For Clarification of this Offer, contact: _____ Email: _____

Company Name: _____

Address: _____

Address: _____

City, State, Zip _____

Phone: _____ Fax: _____ Website: _____

Signature of Person Authorized to Sign Offer: _____ Date: _____

Printed Name: _____

CERTIFICATION

By signature in the Offer section above, the bidder certifies:

1. The submission of the offer did not involve collusion or other anti-competitive practices.
2. The bidder shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, State Executive Order 75.5 or A.R.S. §§ 41-1461 through 1465.
3. The bidder has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause shall result in rejection of the offer. Signing the offer with a false statement shall void the offer, any resulting contract and may be subject to legal remedies provided by law.
4. The bidder certifies that the above referenced organization ☐ is/ ☐ is not a small business with less than 100 employees or has gross revenues of \$4 million or less.
5. The bidder certifies that the above referenced organization ☐ is/ ☐ is not a Minority or a Women based business as in accordance with Executive Order 2007-21 issued by Governor Napolitano. Check the following boxes that apply ☐ African American, ☐ Asian, ☐ Hispanic, ☐ Native American.
6. In accordance with A.R.S. § 35-397, the offeror hereby certifies that the offeror does not have scrutinized business operations in Iran or Sudan.

ACCEPTANCE OF OFFER

The Offer is hereby accepted.

The Contractor is now bound to sell the materials and/or services listed by the attached contract and based upon the solicitation, including all terms, conditions, specifications, amendments, etc., and the Contractor's Offer as accepted by the Arizona State Retirement System.

This contract shall henceforth be referred to as Contract No. _____. The Contractor has been cautioned not to commence any billable work or to provide any material or service under this contract until Contractor receives purchase order, contract release document or written notice to proceed.

Arizona State Retirement System

Awarded this _____ day of _____ 20____

Procurement Officer



Scope of Work

Arizona State Retirement System

SOLICITATION NO.: RT09-003

PAGE
4

3300 N Central Ave., Suite #1300

VENDOR: Distribution Copy

OF
81

Phoenix, AZ 85012

I. BACKGROUND

- A. The Arizona State Retirement System (ASRS) is primarily a defined benefit pension plan for teachers and employees of state, university, and political subdivisions in Arizona. The ASRS Board is composed of nine trustees. As of June 30, 2008, the market value of ASRS assets was approximately \$26 billion.

The strategic asset allocation investment policy for the ASRS is 45% U.S. equities, 26% fixed income, 18% international equities, 6% real estate, and 5% private equity. In addition, the policy asset mix allows for tactical investments in absolute return strategies and opportunistic asset classes and investment strategies. In order to implement this policy asset mix, the ASRS utilizes a combination of internal and external investment managers. Specifically, the ASRS currently manages approximately 30% of the assets internally, with the balance managed by over 40 external investment managers/limited partners. In addition, the ASRS utilizes a combination of passive, enhanced-passive, and active strategies.

The ASRS receives services from a general investment consultant, independent auditors, an actuary, a custody bank, asset-class committee consultants and staff-extension consultant(s) and various other external service providers.

Recently, the ASRS has greatly expanded its real estate, private equity and opportunistic investment programs. It has become apparent that the complexity and number of these investments make it prudent to outsource the accounting, performance monitoring and reporting, and some aspects of due diligence and legal analysis of prospective investments. Currently we have 27 Real Estate Investments with a value of approximately \$646 Million, 24 Private Equity Investments with a value of approximately \$158 Million and 3 Opportunistic Investments with a value of approximately \$2.4 Million. We anticipate increasing our number of investments to 80-100 total by 2010. In addition, to enhance its private equity investment program, the ASRS desires to contract for one or more separate account managers to manage one or more of a wide array of investments, which are described in more detail below.

Further information about the ASRS can be found at the www.azasrs.gov.

II. GENERAL REQUIREMENTS

- A. The Contractor shall provide services to the ASRS in accordance with the provisions and requirements set forth herein. The contractor shall understand and agree that no quantity of service is guaranteed under the contract and that the State of Arizona does not guarantee that the contractor's services will be utilized to any degree.
- B. In the performance of the services set forth herein, the contractor shall expressly understand and agree that a contract exist between the contractor and the ASRS upon approval and acceptance of a proposal as set forth on the offer and award page of this document.
- C. This SOW authorizes two services: 1) separate account management (*private equity only*) and 2) back office management. The ASRS may award individual contracts for each service or a contract that combines separate account management and back office services.

III. SPECIFIC REQUIREMENTS

- A. DISCRETIONARY SEPARATE ACCOUNT MANAGEMENT– SERVICE A



Scope of Work

Arizona State Retirement System

SOLICITATION NO.: RT09-003

PAGE
5

3300 N Central Ave., Suite #1300

VENDOR: Distribution Copy

OF
81

Phoenix, AZ 85012

1) CONTRACTS AUTHORIZED UNDER THIS RFP:

- a) The contractor shall provide discretionary separate account management, which may include, but not necessarily be limited to, any of the contract vehicles described below:

- (1) Primary Partnership Funds, General Management Partnerships,
- (2) Fund of Funds,
- (3) Secondary Funds,
- (4) Co-investment Funds, and
- (5) Direct Co-investments.

- b) The range of asset classes and subclasses includes but is not limited to:

- (1) Buyout (Mega, Large, Mid, Small as measured by EV or EBITDA). ASRS has a propensity towards midsize and smaller portfolio company development.
- (2) Special Situations including: Private Equity Type Distressed i.e. non-trading strategies including operational improvement, asset re-deployment, turnaround tactics, pre-bankruptcy, bankruptcy, control of senior debt strategies for conversion to equity positions and longer term holds for equity growth, etc.
- (3) Energy, CleanTech, alternative energy, infrastructure, raw land, timber, agribusiness, and intellectual property.
- (4) Venture including seed, early, balanced, and growth equity. A mandated venture manager relationship may be proposed with industrial sector focus such as materials, energy, healthcare, IT, IP, etc. or multi-sector.

- c) Emerging Managers and/or Emerging Markets or Global Regions may be a separate contract or combined with other categories as discussed above.

- (1) Applicable benchmark criteria applicable to respective mandates and agreeable to both the Contractor and the ASRS shall be incorporated into the contract.
- (2) Management and administration of funds obtained under contracted mandate(s) will be transferred to the newly contracted Back Office Manager under the Scope of Work section Services B, in a process acceptable to the Contractor and the ASRS.
- (3) The Contractor shall conduct due diligence on private equity investment opportunities arising from sponsors of ASRS' investment funds including but not limited to co-investment opportunities.



Scope of Work

Arizona State Retirement System

SOLICITATION NO.: RT09-003

PAGE
6

3300 N Central Ave., Suite #1300

VENDOR: Distribution Copy

OF
81

Phoenix, AZ 85012

- (4) The contractor shall perform legal/ due diligence, accounting and financial services, performance measurement analyses, and fiduciary reporting responsibilities.

B. BACK OFFICE MANAGEMENT SERVICES – SERVICE B

- 1) The contractor shall provide administration services for ASRS' existing investments and future investments in a) Private Equity, b) Real Estate and c) Opportunistic Investments which may include but not necessarily be limited to: Primary Partnership Funds, General Management Partnerships, Fund of Funds, Secondary Funds, Co-investment Funds, Direct Investments, Joint Ventures, and other financial contractual arrangements.
- 2) The contractor shall perform legal/ due diligence, accounting and financial services, performance measurement analyses, and fiduciary reporting responsibilities.
- 3) The contractor shall furnish a wide range of back office services, including the following tasks and categories:
 - a) Record all historical cash flow data provided by the ASRS and/or the ASRS' custodial bank on each existing ASRS investment.
 - b) Maintain all current and future financial, accounting and legal documents and correspondence from each existing investment fund in an electronic filing system that is accessible by designated ASRS staff. A permanent Read Only file in Adobe Portable Document Format (PDF) and a searchable Microsoft Word editable file in Optical Character Recognition (OCR) or acceptable alternatives are required.
 - c) Review all capital calls and distributions made by the investment funds to ensure that they comply with the relevant partnership agreements. The contractor will prepare wire transfer execution paperwork for the ASRS and conform its internal procedures for handling this activity to comply with the ASRS' requirements. See Exhibit A, Initial Capital Call Form, and Exhibit B, Subsequent Capital Call Form, attached. It is expected that offerors with proven back office experience will analyze and annotate those pre-existing procedures to optimize efficiency through integration of our respective systems. Offerors should include a detailed process recommendation with its proposal (Attachment C is attached for offerors convenience) that includes but is not limited to the opening of accounts with the custodial bank, the authorization of cash transactions, and verification that cash transactions have been correctly completed.
 - d) Calculate and verify that management fees paid to each investment fund are in accordance with relevant agreements. Provide a quarterly report of management fees for each investment fund and for the combined investment funds.
 - e) Provide a quarterly report of outstanding unfunded commitments for each investment fund.
 - f) Verify admission/ carried interest is charged in accordance with the relevant partnership agreement. Provide a quarterly report detailing and aggregating the amount of up-front (admission) interest paid to each investment fund.
 - g) At the end of each quarter, distribute an ASRS developed financial spreadsheet to all investment funds which must be completed by the funds and returned to the contractor with a copy to designated ASRS staff. (SEE ATTACHED Exhibit C – Private Limited Partnership Activity form)



Scope of Work

Arizona State Retirement System

SOLICITATION NO.: RT09-003

PAGE
7

3300 N Central Ave., Suite #1300

VENDOR: Distribution Copy

OF
81

Phoenix, AZ 85012

- h) Prepare and deliver quarterly Statement of Net Assets (SNA) and Statement of Changes in Net Assets (SCNA) for each investment fund and an Overall Quarterly SNA and SCNA for all funds, using an accounting method approved by the ASRS. These statements shall reflect all cash flows and accrual activity for the period.
 - i) Provide a quarterly reconciliation of the SNA and SCNA for each investment fund, which includes all cash flows and accruals to the Quarterly Financial Statements and Capital Account Statements provided by each investment fund.(SEE ATTACHED Exhibits D1, D2, and D3)
 - j) Reconcile all Capital Calls and Distributions to Custodial Bank Statements, and the quarterly financial statements provided by each investment fund.
 - k) Prepare and deliver to the ASRS general ledger journal entries derived from the SNA and SCNA. The journal entries must be received by the ASRS within 90 days of the end of the quarter.
 - l) A separate Daily Cash Flow Report developed in Excel in accordance with the sample attached to this RFP shall be delivered to the Portfolio Analyst in the Investment Management Division (IMD) for Private Equity, Real Estate, and Opportunistic Investments. (SEE ATTACHED Exhibit E1 and E2)
- 4) **REPORTS:** Provide a wide range of quarterly and annual reports on ASRS' private equity, real estate and opportunistic investment funds including:
- a) a market overview;
 - b) reports with detailed data on funded and unfunded outstanding commitment and cash flow activity;
 - c) valuation information;
 - d) performance information including but not limited to time-weighted returns, when applicable, and internal rate of returns in relation to the corresponding benchmark; and
 - e) analysis of investment funds.
 - f) Investment performance reporting on an aggregate level for 1) all investments, 2) a comingled fund level (Fund of Funds), 3) Secondary Funds, 4) Direct Investments, and 5) Co-Investment Funds, on a Primary Fund level and on a Portfolio Company level.
 - g) Traditional reporting by asset and sub asset class, vintage year and geography is required.
 - h) ASRS reporting for Private Equity should track to the maximum degree possible data on Portfolio companies whether in a Limited Partner Fund, a Fund-of-Funds (FOF), or FOF type funds such as Secondary Funds, Co-investment Funds, etc.
 - i) Reporting to Private Equity should include the percentage of ownership in the top level Fund or FOF, ownership in General Partnerships, and ownership in Portfolio Companies.
 - j) Attached to this SOW are sample reports to be provided by the contractor, including the following:



Scope of Work

Arizona State Retirement System

SOLICITATION NO.: RT09-003

PAGE
8

3300 N Central Ave., Suite #1300

VENDOR: Distribution Copy


OF
81

Phoenix, AZ 85012

- (1) A summary holdings report which consists of A Statement of Net Assets and Changes of Net Assets for each investment fund and for the combined investment funds – due within 90 days after each quarter.
 - (2) A reconciliation of the contractor's financial records for each investment fund with the respective fund's quarterly financial statements. The reconciliation shall be delivered to the ASRS within five (5) business days of completion.
 - (3) A quarterly report of capital contributions made and remaining outstanding commitment for each investment fund and for the combined investment funds, due within 90 days after each quarter.
 - (4) A quarterly report of management fees for each investment fund and for each combined investment funds, due within 90 days after each quarter.
 - (5) An annual report detailing and aggregating the amount of up-front (admission) interest paid to each investment fund.
- 5) Whenever instructed by the ASRS, attend and participate in limited partner advisory board and annual meetings of ASRS' investment funds and provide ASRS with reports summarizing the meetings.
- 6) Optional Tax Services: The ASRS and the contractor understand that at the time of contract award, the ASRS may not subject to income tax. If the ASRS is designated as a taxable entity during the life of this contract, tax services are authorized to be incorporated into this contract by written amendment. If authorized by the ASRS, such tax services might include, but not necessarily be limited to:
- a) Prepare, obtain and file foreign, federal and state UBTI returns
 - b) Maintain partnership tax basis accounting records
 - c) Offer tax planning and tax strategies
 - d) Monitor and offer updates on pending IRS statutes and regulations

C. COMBINATION OF SEPARATE ACCOUNTS AND BACK OFFICE SERVICES – SERVICE C

A contract may be awarded to provide both Service A (Discretionary Separate Account Management) and Service B (Back Office Management Services).


	<h1>Uniform Instructions to Offerors</h1>		Arizona State Retirement System 3300 N. Central Avenue, Suite 1300 Phoenix, AZ 85012
	SOLICITATION NO.: RT09-003	PAGE 9	
	VENDOR: Distribution Copy	OF 81	

A. Definition of Terms. As used in these Instructions, the terms listed below are defined as follows:

1. *“Attachment”* means any item the Solicitation requires an Offeror to submit as part of the Offer.
2. *“Contract”* means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.
3. *“Contract Amendment”* means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.
4. *“Contractor”* means any person who has a Contract with the State.
5. *“Days”* means calendar days unless otherwise specified.
6. *“Exhibit”* means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
7. *“Offer”* means bid, proposal or quotation.
8. *“Offeror”* means a vendor who responds to a Solicitation.
9. *“Procurement Officer”* means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.
10. *“Solicitation”* means an Invitation for Bids (“IFB”), a Request for Proposals (“RFP”), or a Request for Quotations (“RFQ”).
11. *“Solicitation Amendment”* means a written document that is signed by the Procurement Officer and issued for the purpose of making changes to the Solicitation.
12. *“Subcontract”* means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
13. *“State”* means the State of Arizona and Department or Agency of the State that executes the Contract.


B. Inquiries

1. Duty to Examine. It is the responsibility of each Offeror to examine the entire Solicitation, seek clarification in writing (inquiries), and examine its’ Offer for accuracy before submitting the Offer. Lack of care in preparing an Offer shall not be grounds for modifying or withdrawing the Offer after the Offer due date and time, nor shall it give rise to any Contract claim.
2. Solicitation Contact Person. Any inquiry related to a Solicitation, including any requests for or inquiries regarding standards referenced in the Solicitation shall be directed solely to the Solicitation contact person. The Offeror shall not contact or direct inquiries concerning this Solicitation to any other State employee unless the Solicitation specifically identifies a person other than the Solicitation contact person as a contact.
3. Submission of Inquiries. The Procurement Officer or the person identified in the Solicitation as the contact for inquiries except at the Pre-Offer Conference, require that an inquiry be submitted in writing. Any inquiry related to a Solicitation shall refer to the appropriate Solicitation number, page and paragraph. Do not place the Solicitation number on the outside of the envelope containing that inquiry, since it may then be identified as an Offer and not be opened until after the Offer due date and time. The State shall consider the relevancy of the inquiry but is not required to respond in writing.
4. Timeliness. Any inquiry or exception to the solicitation shall be submitted as soon as possible and should be submitted at least seven days before the Offer due date and time for review and determination by the State. Failure to do so may result in the inquiry not being considered for a Solicitation Amendment.
5. No Right to Rely on Verbal Responses. An offeror shall not rely on verbal responses to inquiries. A verbal reply to an inquiry does not constitute a modification of the solicitation.
6. Solicitation Amendments. The Solicitation shall only be modified by a Solicitation Amendment.
7. Pre-Offer Conference. If a pre-Offer conference has been scheduled under this Solicitation, the date, time and location shall appear on the Solicitation cover sheet or elsewhere in the Solicitation. Offerors should raise any questions about the Solicitation or the procurement at that time. An Offeror may not rely on any verbal responses to questions at the conference. Material issues raised at the conference that result in changes to the Solicitation shall be answered solely through a written Solicitation Amendment.
8. Persons With Disabilities. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Solicitation contact person. Requests shall be made as early as possible to allow time to arrange the accommodation.

	<h1>Uniform Instructions to Offerors</h1>		Arizona State Retirement System 3300 N. Central Avenue, Suite 1300 Phoenix, AZ 85012
	SOLICITATION NO.: RT09-003	PAGE 10	
	VENDOR: Distribution Copy	OF 81	

C. Offer Preparation

- 1 Forms: No Facsimile, Telegraphic or Electronic Mail Offers. An Offer shall be submitted either on the forms provided in this Solicitation or their substantial equivalent. Any substitute document for the forms provided in this Solicitation must be legible and contain the same information requested on the forms, unless the solicitation indicates otherwise. A facsimile, telegraphic, mailgram or electronic mail Offer shall be rejected if submitted in response to requests for proposals or invitations for bids.
- 2 Typed or Ink; Corrections. The Offer shall be typed or in ink. Erasures, interlineations or other modifications in the Offer shall be initialed in ink by the person signing the Offer. Modifications shall not be permitted after Offers have been opened except as otherwise provided under applicable law.
- 3 Evidence of Intent to be Bound. The Offer and Acceptance form within the Solicitation shall be submitted with the Offer and shall include a signature (or acknowledgement for electronic submissions, when authorized) by a person authorized to sign the Offer. The signature shall signify the Offeror's intent to be bound by the Offer and the terms of the Solicitation and that the information provided is true, accurate and complete. Failure to submit verifiable evidence of an intent to be bound, such as an original signature, shall result in rejection of the Offer.
- 4 Exceptions to Terms and Conditions. All exceptions included with the Offer shall be submitted in a clearly identified separate section of the Offer in which the Offeror clearly identifies the specific paragraphs of the Solicitation where the exceptions occur. Any exceptions not included in such a section shall be without force and effect in any resulting Contract unless such exception is specifically accepted by the Procurement Officer in a written statement. The Offeror's preprinted or standard terms will not be considered by the State as a part of any resulting Contract.
 - i. Invitation for Bids. An Offer that takes exception to a material requirement of any part of the Solicitation, including terms and conditions, shall be rejected.
 - ii. Request for Proposals. All exceptions that are contained in the Offer may negatively affect the State's proposal evaluation based on the evaluation criteria stated in the Solicitation or result in rejection of the Offer. An offer that takes exception to any material requirement of the solicitation may be rejected.
- 5 Subcontracts. Offeror shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities in the Offer.
- 6 Cost of Offer Preparation. The State will not reimburse any Offeror the cost of responding to a Solicitation.
- 7 Solicitation Amendments. Each Solicitation Amendment shall be signed with an original signature by the person signing the Offer, and shall be submitted no later than the Offer due date and time. Failure to return a signed copy of a Solicitation Amendment may result in rejection of the Offer.
- 8 Federal Excise Tax. The State of Arizona is exempt from certain Federal Excise Tax on manufactured goods. Exemption Certificates will be provided by the State.
- 9 Provision of Tax Identification Numbers. Offerors are required to provide their Arizona Transaction Privilege Tax Number and/or Federal Tax Identification number in the space provided on the Offer and Acceptance Form.
 - 9.1 Employee Identification. Offeror agrees to provide an employee identification number or social security number to the Department for the purposes of reporting to appropriate taxing authorities, monies paid by the Department under this contract. If the federal identifier of the offeror is a social security number, this number is being requested solely for tax reporting purposes and will be shared only with appropriate state and federal officials. This submission is mandatory under 26 U.S.C. § 6041A.
- 10 Identification of Taxes in Offer. The State of Arizona is subject to all applicable state and local transaction privilege taxes. All applicable taxes shall be included in the pricing offered in the solicitation. At all times, payment of taxes and the determination of applicable taxes are the sole responsibility of the contractor.
- 11 Disclosure. If the firm, business or person submitting this Offer has been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity, including being disapproved as a subcontractor with any Federal, state or local government, or if any such preclusion from participation from any public procurement activity is currently pending, the Offeror shall fully explain the circumstances relating to the preclusion or proposed preclusion in the Offer. The Offeror shall include a letter with its Offer setting forth the name and address of the governmental unit, the effective date of this suspension or debarment, the duration of the suspension or debarment, and the relevant circumstances relating to the suspension or debarment. If suspension or

	<h1>Uniform Instructions to Offerors</h1>		Arizona State Retirement System 3300 N. Central Avenue, Suite 1300 Phoenix, AZ 85012
	SOLICITATION NO.: RT09-003	PAGE 11	
	VENDOR: Distribution Copy	OF 81	

debarment is currently pending, a detailed description of all relevant circumstances including the details enumerated above shall be provided.

- 12 Solicitation Order of Precedence. In the event of a conflict in the provisions of this Solicitation, the following shall prevail in the order set forth below:

- 12.1 Special Terms and Conditions;
- 12.2 Uniform Terms and Conditions;
- 12.3 Statement or Scope of Work;
- 12.4 Specifications;
- 12.5 Attachments;
- 12.6 Exhibits;
- 12.7 Special Instructions to Offerors;
- 12.8 Uniform Instructions to Offerors.
- 12.9 Other documents referenced or included in the Solicitation.


- 13 Delivery. Unless stated otherwise in the Solicitation, all prices shall be F.O.B. Destination and shall include all freight, delivery and unloading at the destination(s).

D. Submission of Offer

- 1 Sealed Envelope or Package. Each Offer shall be submitted to the submittal location identified in this Solicitation. Offers should be submitted in a sealed envelope or container. The envelope or container should be clearly identified with name of the Offeror and Solicitation number. The State may open envelopes or containers to identify contents if the envelope or container is not clearly identified.
- 2 Offer Amendment or Withdrawal. An Offer may not be amended or withdrawn after the Offer due date and time except as otherwise provided under applicable law.
- 3 Public Record. All Offers submitted and opened are public records and must be retained by the State. Offers shall be open to public inspection after Contract award, except for such Offers deemed to be confidential by the State. If an Offeror believes that information in its Offer should remain confidential, it shall indicate as confidential the specific information and submit a statement with its Offer detailing the reasons that the information should not be disclosed. Such reasons shall include the specific harm or prejudice which may arise. The State shall determine whether the identified information is confidential pursuant to the Arizona Procurement Code.
- 4 Non-collusion, Employment, and Services. By signing the Offer and Acceptance Form or other official contract form, the Offeror certifies that:
 - i. The Offeror did not engage in collusion or other anti-competitive practices in connection with the preparation or submission of its Offer; and
 - ii. The Offeror does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, or disability, and that it complies with all applicable Federal, state and local laws and executive orders regarding employment.

E. Evaluation

- 1 Unit Price Prevails. In the case of discrepancy between the unit price or rate and the extension of that unit price or rate, the unit price or rate shall govern.
- 2 Prompt Payment Discount. Prompt payment discounts of thirty (30) days or more set forth in an Offer shall be deducted from the offer for the purposes of evaluating that price.
- 3 Late Offers. An Offer submitted after the exact Offer due date and time shall be rejected.
- 4 Disqualification. A Offeror (including each of its' principals) who is currently debarred, suspended or otherwise lawfully prohibited from any public procurement activity shall have its offer rejected.
- 5 Offer Acceptance Period. An Offeror submitting an Offer under this Solicitation shall hold its Offer open for the number of days from the Offer due date that is stated in the Solicitation. If the Solicitation does not specifically state a number of days for Offer

	Uniform Instructions to Offerors		Arizona State Retirement System 3300 N. Central Avenue, Suite 1300 Phoenix, AZ 85012
	SOLICITATION NO.: RT09-003	PAGE 12	
	VENDOR: Distribution Copy	OF 81	

acceptance, the number of days shall be one hundred-twenty (120). If a Best and Final Offer is requested pursuant to a Request for Proposals, an Offeror shall hold its Offer open for one hundred-twenty (120) days from the Best and Final Offer due date.

- 5.1 **Waiver and Rejection Rights.** Notwithstanding any other provision of the Solicitation, the State reserves the right to:
- 5.1.1 Waive any minor informality;
 - 5.1.2 Reject any and all Offers or portions thereof; or
 - 5.1.3 Cancel the Solicitation

F. Award

- 1 **Number or Types of Awards.** The State reserves the right to make multiple awards or to award a Contract by individual line items or alternatives, by group of line items or alternatives, or to make an aggregate award, or regional awards, whichever is most advantageous to the State. If the Procurement Officer determines that an aggregate award to one Offeror is not in the State's best interest, "all or none" Offers shall be rejected.
- 2 **Contract Inception.** An Offer does not constitute a Contract nor does it confer any rights on the Offeror to the award of a Contract. A Contract is not created until the Offer is accepted in writing by the Procurement Officer's signature on the Offer and Acceptance Form. A notice of award or of the intent to award shall not constitute acceptance of the Offer.
- 3 **Effective Date.** The effective date of this Contract shall be the date that the Procurement Officer signs the Offer and Acceptance form or other official contract form, unless another date is specifically stated in the Contract.

G. Protests.

- 1 A protest shall comply with and be resolved according to Arizona Revised Statutes Title 41, Chapter 23, Article 9 and rules adopted thereunder. Protests shall be in writing and be filed with both the Procurement Officer of the purchasing agency and with the State Procurement Administrator. A protest of a Solicitation shall be received by the Procurement Officer before the Offer due date. A protest of a proposed award or of an award shall be filed within ten (10) days after the protester knows or should have known the basis of the protest. A protest shall include:
 - 1.1 The name, address and telephone number of the protester;
 - 1.2 The signature of the protester or its representative;
 - 1.3 Identification of the purchasing agency and the Solicitation or Contract number;
 - 1.4 A detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and
 - 1.5 The form of relief requested.

H. Comments Welcome

The State Procurement Office periodically reviews the Uniform Instructions to Offerors and welcomes any comments you may have. Please submit your comments to: State Procurement Administrator, State Procurement Office, 100 North 15th Avenue, Suite 104, Phoenix, Arizona, 85007.



Special Instructions to Offerors

Arizona State Retirement System

SOLICITATION NO.: RT09-003

PAGE
13

3300 N Central Ave., Suite #1300

VENDOR: Distribution Copy

OF
81

Phoenix, AZ 85012

1. **Americans with Disabilities Act.** People with disabilities may request a reasonable accommodation such as a sign language interpreter by contacting the solicitation contact person responsible for this procurement as identified within this solicitation. Requests should be made as early as possible to allow time to arrange the accommodation.
2. **Purpose.** Pursuant to provisions of the Arizona Procurement Code, A.R.S. § 41-2501 et seq., the Arizona State Retirement System, intends to establish a contract for the services as listed herein.
3. **Contract Applicability.** Any contract resulting from this solicitation shall be for the exclusive use of the Arizona State Retirement System Agency designated herein.
4. **Definition.** "May" denotes the permissive, "Shall" denotes the imperative, "Must" denotes the imperative.
5. **Discussions.** In accordance with A.R.S. Section 41-2534, after the initial receipt of proposals, the ASRS reserves the option to conduct discussions with those offerors who submit proposals determined by the ASRS to be reasonably susceptible of being selected for award.
6. **Minimum Qualifications and Requirements.** Listed under A. below are the minimum qualifications an offeror must meet or exceed in order for the ASRS to designate a proposal as acceptable. Each offeror must provide a written explanation as to how it meets each minimum qualification by answering all questions supplied on the Questionnaire form attached to this solicitation and fulfill other requirements in this RFP. Additional information can be provided on the Narrative form Attachment C, if needed. If the ASRS determines from the response that an offeror does not meet any one of the minimum qualifications, the proposal may be considered unacceptable and disqualified from further consideration.

At the time the contract is signed and throughout the period of the contract, offerors should meet the requirements as outlined below in order to be considered for the contract award:

A. Minimum Requirements

- 1) The offeror shall be lawfully authorized to conduct business in Arizona or shall have no impediments to conduct business in Arizona.
- 2) Have comparable historical experience with references for at least two clients of the same size and requirements, and in addition supply references for two additional clients with similar experience. References to be verifiable and should be able to comment on the offeror's related experience and past performance. Offeror to provide the name, address, phone, contact person and a brief description of the services provided for each reference. Attachment B – Offerors Experience forms are attached for offerors convenience in providing the four references.

7. Evaluation.

- A. The ASRS will determine responsibility of an offeror prior to awarding a contract. Any information regarding the past performance, reliability and capability of the offeror may be considered to determine responsibility. If an offeror is determined to be non-responsible, the Arizona State Retirement System will notify the offeror of the determination and cite the reasons for the determination.
- B. Proposals shall be evaluated in accordance with A.R.S. § 41-2534 (The Arizona Procurement Code). If an award is made, the contract will be awarded to the responsible offeror whose proposal is determined to be most advantageous to the ASRS, based on the criteria listed below. Evaluation factors are listed below in their relative order of importance, starting with the most important factor and descending in value.
 - 1) Experience and reliability of the offeror, including the company as a whole and all key personnel.
 - 2) Ability to perform Scope of Work
 - 3) Quality of existing client relationships and references;



Special Instructions to Offerors

Arizona State Retirement System

SOLICITATION NO.: RT09-003

PAGE
14

3300 N Central Ave., Suite #1300

VENDOR: Distribution Copy

OF
81

Phoenix, AZ 85012

- 4) Cost – Pricing to be submitted in an all inclusive basis. The State will not reimburse any item other than the all inclusive rates contained on the Pricing Schedule.
8. **Offer and Acceptance.** To allow for an adequate evaluation, the ASRS requires an offer in response to this solicitation to be valid and irrevocable for one hundred and eighty (180) days after the opening time and date.
9. **Offeror's Contact.** All questions regarding this Request for Proposal, including technical specifications, proposal process, etc., shall be directed to the Procurement Officer as indicated on the first page of this document.
Offerors may not contact the employees of the using Agency or members of the Evaluation Committee concerning this procurement unless authorized by the Procurement Officer.
10. **Proposal Submittals.** The proposal shall contain the following:
- A. One (1) original hard copy and one (1) electronic copy in the form of a CD, DVD or flash stick only, and ten (10) copies of each proposal should be submitted on the forms and in the format specified in the RFP. The original copy of the proposal should be clearly labeled "ORIGINAL." The material should be in sequence and related to the RFP. The ASRS will not provide any reimbursement for the cost of developing or presenting proposals in response to this RFP. Failure to include the requested information may have a negative impact on the evaluation of the offeror.
 - B. Complete response to all items contained in the Offeror Questionnaire. Questionnaire form is attached for offeror's convenience. If an offeror fails to respond to each question on the questionnaire, its proposal may be deemed unacceptable and disqualified from further consideration.
 - C. Prepare the material listed below for Services A, B and C. Each volume should be further broken down by functional area as necessary: Private Equity, Real Estate, Opportunistic, etc.
 - 1) Volume One: Capabilities and Experience. This volume should address the skill and experience base in your firm relating to the proposed service under the scope of work. Some minimum areas to be addressed are:
 - a) Section A and C respondents: Experience of your firm for the mandate bid, assets under management (AUM) by firm history or last five years, whichever is less (this should be detailed), number of clients and detailed performance of the recommendations made to your client base. Performance should be reported on both a gross and net IRR basis as determined through the application of the XIRR function in Microsoft Excel and presented in two ways: 1) on a dollar value equal weighted basis (all customers invested the same amount), and 2) on actual invested amounts. The total capital commitment of each client and the amount invested should be displayed for each investment. Each investment should detail vintage year. (SEE ATTACHED APPENDIX F "guidance")
 - b) Section B or C respondents: Same as above as it relates to Separate Account Mandates Plus: detailed back office experience including but not limited to:
 - (1) list of all customers and references;
 - (2) total personnel dedicated to managing and administering back office customer base;
 - (3) number and education of back office support personnel with accounting experience and knowledge base in FASB, reconciliation, and audit skills;
 - (4) CFO relations with Funds;
 - (5) personnel count dedicated to performance reporting preparation, review, editing and final review;
 - (6) relationship structure; and
 - (7) location of work and/or satellite offices.
 - 2) Volume Two: Scope of Work and Fees. Offerors should include in their proposals the following:
 - a) Offerors should detail the range of services offered and for each service category furnish a comprehensive process description including interface activity that is required from ASRS to permit effective and efficient administrative services.



Special Instructions to Offerors

Arizona State Retirement System

SOLICITATION NO.: RT09-003

PAGE
15

3300 N Central Ave., Suite #1300

VENDOR: Distribution Copy

OF
81

Phoenix, AZ 85012

- b) The extent of additional billable costs to ASRS by category for any "out of pocket" or miscellaneous expenses including the methodology of calculation. Additional billable costs are defined as any expenses that are not included in any proposed fee structure.
- c) Services that Respondent includes as part of the fee structure but may be over and above the definition of services included in the preceding paragraph. Please identify such services such as a training or educational program for ASRS employees in its Investment Management Department (IMD) as it relates to Service A or Service C, or its Accounting /Finance Department as it relates to Service B or Service C of this solicitation.

D. Proposals for Separate Accounts – Services A & C

- 1) In the SOW for separate accounts, the ASRS has deliberately provided broad parameters on the services to be provided by the Contractor. The ASRS encourages offerors to propose additions or other modifications to the SOW contained in this RFP in the following format:
 - a) Make a copy of the SOW for separate account management
 - b) In bold, red point font at the top of the first page of the SOW, type **PROPOSED MODIFICATION TO SCOPE OF WORK,**
 - c) **(NAME OF OFFEROR AND DATE)** Enter this same heading on each page of the modified SOW.
 - d) In red font, enter the additional or modified language. The offeror may delete, add, or modify the SOW language set forth in the RFP.
 - e) The offeror's proposed modified SOW language will be considered in the evaluation of the proposal and may be incorporated into the final contract at the discretion of the ASRS.

Offerors should provide benchmark criteria for performance measurement, targeted return identification, and should delineate in their fee proposal differences, if any, between inclusion of management, administration, monitoring and reporting of investment managers acquired under their mandate, or assuming their mandate includes the following: acquisition of deals consisting of all detailed final diligence, preparation of legal documents, side letter negotiation, cherry picking of side letters furnished under Most Favored Nation (MFN) provisions during the final and post closing process, legal review of amendments issued through the term life of investment management contracts, representation of ASRS at Advisory Board and Annual Meetings, and excludes administration, monitoring, and reporting to be performed by the Service B or Service C Awardee that is accept full fiduciary responsibilities as defined under ERISA law and regulations and will be authorized to act with full discretionary authority. However, in the area of co-investment and direct investment recommendations, the ASRS will require the right to veto an investment recommendation within ten working days and cap the committed capital amount.

E. Proposals for Back Office Services – Services B & C

- 1) Volumes One and Two as described above, and;
- 2) Include a Volume Three: Transition Plan. The transition plan should address process and task worksheets and identify what are the contractor's tasks and responsibilities as well as what the expected ASRS tasks and responsibilities will be in the transition of private equity and real estate accounting and reporting from the ASRS to the contractor.

- F. A minimum of four (4) business references, government references are preferred. References shall be verifiable and shall be able to comment on the offeror's related experience and past performance. Offeror shall provide the name, address, phone, contact person and a brief description of the services provided for each reference. Attachment B is attached for offerors convenience.
- G. Organizational Chart showing staffing of key personnel and lines of authority. The relationship of the program manager to corporate management and subordinate staff should be clearly shown.
- H. Resumes of key personnel. Resumes shall describe experience, education, certifications, licenses, and other relevant information for the program manager and other key personnel.
- I. Job Descriptions – Job descriptions and minimum qualifications shall be provided for all key personnel who will be employed to support this contract.



Special Instructions to Offerors

Arizona State Retirement System

SOLICITATION NO.: RT09-003

PAGE
16

3300 N Central Ave., Suite #1300

VENDOR: Distribution Copy

OF
81

Phoenix, AZ 85012

- J. Price Proposals – Price proposal shall be submitted on the pricing schedule or in a format substantially similar to the pricing schedule.
- K. Completed “Offer and Acceptance”.
- L. One copy of each solicitation amendment, with signed acknowledgement, if any.
- M. One copy of each of the previous two years of audited financial statements or two years of federal income tax returns.
- N. The entire proposal should be completed in number 12 font or larger.

ALL QUESTIONS REGARDING THIS REQUEST FOR PROPOSAL SHALL BE SUBMITTED, IN WRITING, TO THE PROCUREMENT OFFICER DESIGNATED HEREIN.

11. Confidential Information

- A. If a person believes that a bid, proposal, offer, specification, or protest contains information that should be withheld, a detailed statement advising the procurement officer of this fact shall accompany the submission and the information shall be so identified wherever it appears.
- B. The information identified by the person as confidential shall not be disclosed until the director makes a written determination.
- C. The director shall review the statement and information and shall determine in writing whether the information shall be withheld.
- D. If the director determines to disclose the information, the director shall inform the bidder in writing of such determination.

12. **Proposal Opening.** Proposals shall be opened on the date and time, and at the place designated on the cover page of this document, unless amended in writing by the state agency issuing the solicitation. The name of each offeror shall be read at this time. Proposals, modifications and all other information received in response to the request for proposals shall be shown only to authorized state personnel having a legitimate interest in the evaluation. After a contract award, the proposals and evaluation documentation shall be open for public inspection.

13. **Discussions.** In accordance with A.R.S. Section 41-2534, after the initial receipt of proposals, the ASRS reserves the option to conduct discussions with those offerors who submit proposals determined by the ASRS to be reasonably susceptible of being selected for award.

14. **Suspension or Debarment Certification.** By signing the offer section of the Offer and Acceptance page, the offeror certifies that the firm, business or person submitting the offer has not been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity with any federal, state or local government. Signing the offer section without disclosing all pertinent information about a debarment or suspension shall result in rejection of the offer or cancellation of a contract. The ASRS also may exercise any other remedy available by law.

15. **Suspension or Debarment Status.** If the firm, business or person submitting this offer has been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity with any federal, state or local government, the offeror must include a letter with its offer setting forth the name and address of the governmental unit, the effective date of the suspension or debarment, the duration of the suspension or debarment. Failure to supply the letter or to disclose in the letter all pertinent information regarding a suspension or debarment shall result in rejection of the offer or cancellation of a contract. The ASRS also may exercise any other remedy available by law.

16. **Tax Exemptions. Federal Excise Tax:** The Arizona State Retirement System is exempt from Federal Excise Tax on manufactured goods. Exemption Certificates will be prepared upon request.



Special Instructions to Offerors

Arizona State Retirement System

SOLICITATION NO.: RT09-003

PAGE
17

3300 N Central Ave., Suite #1300

VENDOR: Distribution Copy

OF
81

Phoenix, AZ 85012

- A. **State and Local Transaction Privilege Taxes:** The Arizona State Retirement System is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect taxes from the buyer does not relieve the seller from his obligation to remit taxes. Offerors are required to provide their Arizona Transaction Privilege Tax Number, if applicable, in the space provided on the Offer and Acceptance Form and provide the tax rate and amount, if applicable, on the Pricing Schedule.
- B. **Evaluation of Offers:** All applicable taxes will be considered by the ASRS when determining the lowest bid or evaluating proposals; except when a responsive offeror which is otherwise reasonably susceptible for award is located outside of Arizona and is not subject to a transaction privilege or use tax of a political subdivision of this state. In that event all applicable taxes which are the obligation of offerors in-state and out-of-state, offerors shall be disregarded in the Contract Award. At all times, payment of taxes and the determination of applicable taxes and rates are the sole responsibility of the Contractor.
17. **Offshore Performance of Work Prohibited.** Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or "overhead" services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers. Offerors shall declare all anticipated offshore services in the bid.
18. **Employee Sanctions A.R.S. § 41-4401.** By entering into the Contract, the Contractor warrants compliance with the Federal Immigration and Nationality Act (FINA) and all other Federal immigration laws and regulations related to the immigration status of its employees. The Contractor shall obtain statements from its subcontractors certifying compliance and shall furnish the statements to the Procurement Officer upon request. These warranties shall remain in effect through the term of the Contract. The Contractor and its subcontractors shall also maintain Employment Eligibility Verification forms (I-9) as required by the U.S. Department of Labor's Immigration and Control Act, for all employees performing work under the Contract. I-9 forms are available for download at <http://www.USCIS.GOV>.
- The State may request verification of compliance for any Contractor or subcontractor performing work under the Contract. Should the State suspect or find that the Contractor or any of its subcontractors are not in compliance, the State may pursue any and all remedies allowed by law, including, but not limited to: suspension of work, termination of the Contract for default, and suspension and/or debarment of the Contract. All costs necessary to verify compliance are the responsibility of the Contractor.
19. **Federal Immigration And Nationality Act 2:** The contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, the contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the contractor and/or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to; suspension of work, termination of the contract for default and suspension and/or debarment of the contractor.
20. **IT 508 Compliance:** Any electronic or information technology offered to the State of Arizona under this solicitation shall comply with A.R.S. §§ 41-2531 and 2532 and Section 508 of the Rehabilitation Act of 1973, which requires that employees and members of the public shall have access to and use of information technology that is comparable to the access and use by employees and members of the public who are not individuals with disabilities. Any exceptions shall be declared in writing in the offer.
21. **Uniform Instructions to Offerors.** The contractor shall be subject to the Arizona State Procurement Office (SPO) Uniform Instructions to Offerors currently in force and effect, which may be found at the SPO website, <http://www.azdoa.gov/spo/agency-resources-1/documents-forms/procurement-documents>. Said instructions are hereby incorporated by reference as though set forth in full herein and shall supercede any contract or other form of agreement supplied by offeror.



Uniform Terms and Conditions

SOLICITATION NO.: RT09-003

VENDOR: Distribution Copy

PAGE
18
OF
81

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

UNIFORM TERMS AND CONDITIONS

Version 7

- 1 **Definition of Terms.** As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:
 - 1.1 “Attachment” means any item the Solicitation requires the Offeror to submit as part of the Offer.
 - 1.2 “Contract” means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.
 - 1.3 “Contract Amendment” means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.
 - 1.4 “Contractor” means any person who has a Contract with the State.
 - 1.5 “Days” means calendar days unless otherwise specified.
 - 1.6 “Exhibit” means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
 - 1.7 “Gratuity” means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
 - 1.8 “Materials” means all property, including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space.
 - 1.9 “Procurement Officer” means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.
 - 1.10 “Services” means the furnishing of labor, time or effort by a contractor or subcontractor which does not involve the delivery of a specific end product other than required reports and performance, but does not include employment agreements or collective bargaining agreements.
 - 1.11 “Subcontract” means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
 - 1.12 “State” means the State of Arizona and Department or Agency of the State that executes the Contract.
 - 1.13 “State Fiscal Year” means the period beginning with July 1 and ending June 30.
- 2 **Contract Interpretation**
 - 2.1 Arizona Law. The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.
 - 2.2 **Implied Contract Terms.** Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.
 - 2.3 Contract Order of Precedence. In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:
 - 2.3.1 Special Terms and Conditions;
 - 2.3.2 Uniform Terms and Conditions;
 - 2.3.3 Statement or Scope of Work;
 - 2.3.4 Specifications;
 - 2.3.5 Attachments;
 - 2.3.6 Exhibits;
 - 2.3.7 Documents referenced or included in the Solicitation.
 - 2.4 Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.



Uniform Terms and Conditions

SOLICITATION NO.: RT09-003

VENDOR: Distribution Copy

PAGE
19
OF
81

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

- 2.5 Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.
- 2.6 No Parol Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.
- 2.7 No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

3 Contract administration and operation.

- 3.1 Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.
- 3.2 Non-Discrimination. The Contractor shall comply with State Executive Order No. 99-4 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.
- 3.3 Audit. Pursuant to ARS § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.
- 3.4 Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor's processes or services, at reasonable times for inspection of the facilities or materials covered under this Contract. The State shall also have the right to test, at its own cost, the materials to be supplied under this Contract. Neither inspection of the Contractor's facilities nor materials testing shall constitute final acceptance of the materials or services. If the State determines noncompliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.
- 3.5 Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.
- 3.6 Advertising, Publishing and Promotion of Contract. The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.
- 3.7 Property of the State. Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.
- 3.8 Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract ("Intellectual Property"), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency, department, division, board or commission of the State of Arizona requesting the issuance of the contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor (s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract.



Uniform Terms and Conditions

SOLICITATION NO.: RT09-003

VENDOR: Distribution Copy

PAGE
20
OF
81

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

4 Costs and Payments

- 4.1 Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.
- 4.2 Delivery. Unless stated otherwise in the Contract, all prices shall be F.O.B. Destination and shall include all freight delivery and unloading at the destination.
- 4.3 Applicable Taxes.
- 4.3.1 Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.
- 4.3.2 State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.
- 4.3.3 Tax Indemnification. Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.
- 4.3.4 IRS W9 Form. In order to receive payment the Contractor shall have a current IRS W9 Form on file with the State of Arizona, unless not required by law.
- 4.4 Availability of Funds for the Next State fiscal year. Funds may not presently be available for performance under this Contract beyond the current state fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current state fiscal year until funds are made available for performance of this Contract.
- 4.5 Availability of Funds for the current State fiscal year. Should the State Legislature enter back into session and reduce the appropriations or for any reason and these goods or services are not funded, the State may take any of the following actions:
- 4.5.1 Accept a decrease in price offered by the, contractor
- 4.5.2 Cancel the Contract
- 4.5.3 Cancel the contract and re-solicit the requirements.

5 Contract changes

- 5.1 Amendments. This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the procurement officer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.
- 5.2 Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this contract without the advance written approval of the Procurement Officer. The Contractor shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.
- 5.3 Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.

6 Risk and Liability

- 6.1 Risk of Loss. The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.
- 6.2 Indemnification



Uniform Terms and Conditions

SOLICITATION NO.: RT09-003

VENDOR: Distribution Copy

PAGE
21
OF
81

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

6.2.1 Contractor/Vendor Indemnification (Not Public Agency) The parties to this contract agree that the State of Arizona, its' departments, agencies, boards and commissions shall be indemnified and held harmless by the contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona, its' departments, agencies, boards and commissions shall be responsible for its' own negligence. Each party to this contract is responsible for its' own negligence.

6.2.2 Public Agency Language Only Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnatee') from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnatee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its' officers, officials, agents, employees, or volunteers."

6.3 Indemnification - Patent and Copyright. The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this section shall not apply.

6.4 Force Majeure.

6.4.1 Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "*force majeure*" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.

6.4.2 Force Majeure shall not include the following occurrences:

6.4.2.1 Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;

6.4.2.2 Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or

6.4.2.3 Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.

6.4.3 If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

6.4.4 Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

6.5 Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

7 **Warranties**

7.1 Liens. The Contractor warrants that the materials supplied under this Contract are free of liens and shall remain free of liens.

7.2 Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the State of the materials, they shall be:



Uniform Terms and Conditions

SOLICITATION NO.: RT09-003

VENDOR: Distribution Copy

PAGE
22
OF
81

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

- 7.2.1 Of a quality to pass without objection in the trade under the Contract description;
- 7.2.2 Fit for the intended purposes for which the materials are used;
- 7.2.3 Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;
- 7.2.4 Adequately contained, packaged and marked as the Contract may require; and
- 7.2.5 Conform to the written promises or affirmations of fact made by the Contractor.

- 7.3 **Fitness.** The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.
- 7.4 **Inspection/Testing.** The warranties set forth in subparagraphs 7.1 through 7.3 of this paragraph are not affected by inspection or testing of or payment for the materials by the State.
- 7.5 **Year 2000.**
- 7.5.1 Notwithstanding any other warranty or disclaimer of warranty in this Contract, the Contractor warrants that all products delivered and all services rendered under this Contract shall comply in all respects to performance and delivery requirements of the specifications and shall not be adversely affected by any date-related data Year 2000 issues. This warranty shall survive the expiration or termination of this Contract. In addition, the defense of *force majeure* shall not apply to the Contractor's failure to perform specification requirements as a result of any date-related data Year 2000 issues.
 - 7.5.2 Additionally, notwithstanding any other warranty or disclaimer of warranty in this Contract, the Contractor warrants that each hardware, software, and firmware product delivered under this Contract shall be able to accurately process date/time data (including but not limited to calculation, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations, to the extent that other information technology utilized by the State in combination with the information technology being acquired under this Contract properly exchanges date-time data with it. If this Contract requires that the information technology products being acquired perform as a system, or that the information technology products being acquired perform as a system in combination with other State information technology, then this warranty shall apply to the acquired products as a system. The remedies available to the State for breach of this warranty shall include, but shall not be limited to, repair and replacement of the information technology products delivered under this Contract. In addition, the defense of *force majeure* shall not apply to the failure of the Contractor to perform any specification requirements as a result of any date-related data Year 2000 issues.
- 7.6 **Compliance With Applicable Laws.** The materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable licenses and permit requirements.
- 7.7 **Survival of Rights and Obligations after Contract Expiration or Termination.**
- 7.7.1 **Contractor's Representations and Warranties.** All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.
 - 7.7.2 **Purchase Orders.** The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.

8 State's Contractual Remedies

- 8.1 **Right to Assurance.** If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.
- 8.2 **Stop Work Order.**



Uniform Terms and Conditions

SOLICITATION NO.: RT09-003

VENDOR: Distribution Copy

PAGE
23
OF
81

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

8.2.1 The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.

8.2.2 If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.

8.3 Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.

8.4 Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.

8.5 Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

9 Contract Termination

9.1 Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.

9.2 Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.

9.3 Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the contractor is not currently suspended or debarred. If the contractor becomes suspended or debarred, the contractor shall immediately notify the State.

9.4 Termination for Convenience. The State reserves the right to terminate the Contract, in whole or in part at any time, when in the best interests of the State without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.

9.5 Termination for Default.

9.5.1 In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.



Uniform Terms and Conditions

SOLICITATION NO.: RT09-003

VENDOR: Distribution Copy

PAGE
24
OF
81

Arizona State Retirement System

3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

9.5.2 Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.

9.5.3 The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.

9.6 Continuation of Performance Through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

10 Contract Claims. All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and rules adopted thereunder.

11 Arbitration. The parties to this Contract agree to resolve all disputes arising out of or relating to this contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes (Title 41).

12 Comments Welcome. The State Procurement Office periodically reviews the Uniform Terms and Conditions and welcomes any comments you may have. Please submit your comments to: State Procurement Administrator, State Procurement Office, 100 North 15th Avenue, Suite 104, Phoenix, Arizona, 85007.



Special Terms and Conditions

Arizona State Retirement System

SOLICITATION NO.: RT09-003

PAGE

25

OF

81

VENDOR: Distribution Copy

3300 N Central Ave., Suite #1300

Phoenix, AZ 85012

1. Amendments

Any change in the contract including the Scope of Work described herein, whether by modification or supplementation, must be accomplished by a formal contract amendment signed and approved by and between the duly authorized representatives of the Contractor and the ASRS. Any such amendment shall specify an effective date, any increases or decreases in the amount of the Contractor's compensation if applicable and entitled as an "Amendment", and signed by the parties identified in the preceding sentence. The Contractor expressly and explicitly understands and agrees that no other method and/or no other document, including correspondence, acts, and oral communications by or from any person, shall be used or construed as an amendment or modification or supplementation to the contract.

2. Confidentiality of Records

The contractor shall establish and maintain procedures and controls that are acceptable to the state for the purpose of assuring that no information contained in its records or obtained from the state or from others carrying out its functions under the contract shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the contract. Persons requesting such information shall be referred to the state. Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of the contractor as needed for the performance of duties under the contract, unless otherwise agreed to in writing by the state.

3. Contract

- A. The contract between the Arizona State Retirement System and the contractor shall consist of the Request for Proposal (RFP) and any amendments thereto, and the proposal submitted by the contractor in response to the RFP. In the event of a conflict in language between the two documents referenced above, the provisions and requirements set forth and/or referenced in the RFP shall govern. However, the State reserves the right to clarify any contractual relationship in writing and such written clarification shall govern in case of conflict with the applicable requirements stated in the RFP or the contractor's proposal. In all other matters not affected by the written clarification, if any, the RFP shall govern.
- B. The contract shall be construed according to the laws of the State of Arizona. The Arizona State Retirement System is not obligated for the expenditures under the contract until funds have been encumbered.
- C. Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of the contractor as needed for the performance of duties under the contract, unless otherwise agreed to in writing by the ASRS.

4. Disputes

The contract is not subject to arbitration. The ASRS and the contractor shall meet to discuss and attempt to resolve any dispute. However, should the dispute go unresolved to the satisfaction of both parties, the contractor shall have the right to pursue the Arizona Procurement Code/Administrative Appeal Process for claims, prior to an appeal to the judicial system.

5. Availability of Funds for the Next Fiscal Year


Funds are not presently available for performance under this contract beyond the current fiscal year. The State's obligation for performance of this contract beyond this fiscal year is contingent upon the availability of funds from which payment for contract purposes can be made. No legal liability on the part of the State for any payment may arise for performance under this contract beyond the current fiscal year until funds are made available for performance of this contract.

6. Estimated Usage

The contract shall be on an as-needed, if needed basis. The ASRS makes no guarantee as to the amount of usage that may occur under a resultant contract.

7. Key Personnel

It is essential that the contractor provide an adequate staff of experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this contract. The contractor must assign specific individuals to the key positions. Once assigned to work under the contract, key personnel shall not be removed or replaced without the prior written approval of the issuing agency and a copy to the procurement office of record.

	Special Terms and Conditions		Arizona State Retirement System 3300 N Central Ave., Suite #1300 Phoenix, AZ 85012
	SOLICITATION NO.: RT09-003	PAGE 26	
	VENDOR: Distribution Copy	OF 81	

8. Licenses

Contractor shall maintain in current status all federal, state and local licenses and permits required for the operation of the business conducted by the contractor.

9. Contract Term

The Contract shall be for a term of one (1) year, renewable at the sole discretion of the Board for additional periods up to a total of four (4) additional years.

10. Contract Renewal

The Contractor acknowledges that the Board is procuring the Contractor's services for the primary benefit of the participants. As a consequence, following the expiration of the one-year term of the Contract, any renewal shall be at the sole discretion of the Board based upon its discretionary determination of whether renewal is in the best interests of the participants. The Contractor is cautioned that it shall have no expectation of contract renewal beyond the expiration of the initial one-year term, and is further cautioned to place no reliance upon what it considers to be any practice or history of contract renewal by the ASRS. The Contractor acknowledges that the Board's satisfaction with the following will be among the factors considered in the determination of a renewal and length of renewal of the Contract:

1. The Contractor's performance based upon the Performance Measures;
2. The Contractor's diligent implementation of its Business Plan;
3. The Contractor's cooperation in and accomplishment of revisions satisfactory to the Board to its Business Plan if goals are not met;
4. The Contractor's compliance with the Strategic Plan; and
5. The Contractor's compliance with all other duties under the Contract.

11. Contract Cancellation (10 day)

The ASRS reserves the right to cancel the whole or any part of this contract due to failure by the contractor to carry out any material obligation, term or condition of the contract. The ASRS shall issue written notice to the contractor for acting or failing to act as in any of the following:

The contractor provides services or personnel that does not meet the specifications of the contract;


The contractor fails to adequately perform the services set forth in the specifications of the contract;

The contractor fails to complete the work required or furnish the services required within the time stipulated by the contract;

The contractor fails to make progress in the performance of the contract and/or gives the ASRS reason to believe that the contractor will not or cannot perform to the requirements of the contract.

Upon receipt of the written notice of concern, the contractor shall have ten (10) days to provide a satisfactory response to the ASRS. Failure on the part of the contractor to adequately address all issues of concern may result in the ASRS resorting to any single or combinations of the following remedies.

1. Cancel any contract;
2. Reserve all rights or claims to damage for breach of any covenant of the contract;

	Special Terms and Conditions		Arizona State Retirement System 3300 N Central Ave., Suite #1300 Phoenix, AZ 85012
	SOLICITATION NO.: RT09-003	PAGE 27	
	VENDOR: Distribution Copy	OF 81	

3. Perform any test, audit or analysis for compliance with the specifications of the contract. If the result of any test confirms a material no-compliance with the specifications, any reasonable expense of testing shall be borne by the contractor;
4. In case of default, the ASRS reserves the right to purchase services, or to complete the required work in accordance with the Arizona Procurement Code. The ASRS may recover reasonable excess costs from the contractor.

12. Contract Cancellation (Immediate)

This contract is critical to the Arizona State Retirement System and the ASRS reserves the right to immediately cancel the whole or any part of this contract due to failure of the contractor to carry out any material obligation, term or condition of the contract. The ASRS shall issue a written notice of default effective at once and not deferred by any interval of time. Default shall be for acting or failing to act in any of the following:

1. The contractor commits a material breach of the contract;
2. The contractor or key personnel are indicted for or suspected of a violation of the law;
3. In the opinion of the ASRS, the Contractor is unable to perform the contract.

The ASRS may resort to any single or combination of the following remedies:

1. Cancel any contract;
2. Reserve all rights or claims to damage for breach of any covenants of the contract;
3. In case of default, the ASRS reserves the right to purchase services or to complete the required work in accordance with the Arizona Procurement Code. The ASRS may recover reasonable excess costs from the contractor by:
 - A. Deduction from an unpaid balance;
 - B. Collection against the bid and/or performance bond; or
 - C. Any combinations of the above or any other remedies as provided by law.

13. Termination for Cause


This Contract may be terminated by any party for breach of any of the duties or obligations of the parties imposed by this Contract, or any provisions incorporated herein, any rules of the Board or any State or Federal law or regulation of defined contribution plans or the sale of securities or insurance. The failure of the Board to terminate this Contract for cause shall not be deemed a waiver of its right to do so nor shall it be construed as sanctioning the conduct in question. In the event of termination for cause any failure of the Board to have acted upon prior breaches by the Contractor may also be relied upon as though no time lapse or failure to act had occurred. In the event of termination for cause, the Contractor agrees to provide an audit of the Plans by an independent certified public accountant approved by the ASRS.

14. Performance of Contract Following Termination or Expiration

In the event the Contract expires or is terminated for any reason or cause, the Contractor agrees to continue performance of its duties, if so requested, by the Board as though no expiration or termination had occurred for a period not to exceed six months from the first day of the month following termination. In such event, the Contractor shall continue to receive the compensation set forth in this Contract.

15. Duties Upon Expiration or Termination

In the event the Contract expires or is terminated for any reason or cause, the Contractor also agrees to transfer promptly all monies, and all records and documents relative to the Plan in hard copy and in magnetic tape form or other form as specified by the ASRS, to the ASRS or its designees, as well as such access to its computer files and records relating to the Plan as may be needed by the ASRS.

	Special Terms and Conditions		Arizona State Retirement System 3300 N Central Ave., Suite #1300 Phoenix, AZ 85012
	SOLICITATION NO.: RT09-003	PAGE	
	VENDOR: Distribution Copy	28 OF 81	

or its designees to obtain such historical and accounting data as is needed to assure the accuracy of its records. This access shall be allowed for a period of twelve months after expiration or termination of the Contractor's duties under the Contract.

16. Non-Exclusive Contract

Any contract resulting from this solicitation shall be awarded with the understanding and agreement that it is for the sole convenience of the Arizona State Retirement System. The ASRS reserves the right to obtain like goods or services from another source when necessary. Off-contract purchase authorization (SPO form 150) may only be approved by the Arizona State Retirement System. Approval shall be at the exclusive discretion of the Arizona State Retirement System and shall be final. However, approval shall be granted only after a proper review and when deemed to be appropriate. Off-contract procurement shall be consistent with the Arizona State Retirement System policies.

17. Notices

All notices, requests, demands, consents, approvals, and other communications which may or are required to be served or given hereunder (for the purposes of this provision collectively called "NOTICES"), shall be in writing and shall be sent by registered or certified United States mail, return receipt requested, postage prepaid, addressed to the party or parties to receive such notice as follows:

A. If intended for the ASRS, To:

Arizona State Retirement System
Mr. Bob Wittsell
3300 N Central Ave., Suite #1300
Phoenix, AZ 85012

B. If intended for the contractor, To:

Name:
Company:
Address:
Address:
City, State, Zip:


Or to such other address as either party may from time to time furnish in writing to the other by notice hereunder. Any notice so mailed shall be deemed to have been given as of the date such notice is received as shown on the return receipt. Furthermore, such notice may be given by delivering personally such notice. If intended for the ASRS Purchasing Administrator and, if intended for the contractor, to the person named in the offer of this contract (SPO form 203), or to such other person as either party may from time to time furnish in writing to the other by notice hereunder. Any notice so delivered shall be deemed to have been given as of the date such notice is personally delivered to the other party.

18. Inclusive Offerors

Offeror(s) are encouraged to make every effort to utilize subcontractors that are small, women-owned and/or minority owned business enterprise. This could include subcontracts for percentage of the goods and services provided to the ASRS. Offerors who are committing a portion of their work to such subcontractors shall do so by identifying the type of services and work to be performed by providing detail concerning your organization's utilization of small, women-owned and/or minority business enterprises. Emphasis should be placed on specific areas that are subcontracted and percentage of contract utilization and how this effort will be administered and managed, including reporting requirements.

19 Offshore Performance of Work Prohibited.

Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or "overhead" services, redundant

	<h1>Special Terms and Conditions</h1>		<h2>Arizona State Retirement System</h2> 3300 N Central Ave., Suite #1300 Phoenix, AZ 85012
	SOLICITATION NO.: RT09-003	PAGE 29	
	VENDOR: Distribution Copy	OF 81	

back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers. Offerors shall declare all anticipated offshore services in the bid.

- 20 **Employee Sanctions A.R.S. § 41-4401.** By entering into the Contract, the Contractor warrants compliance with the Federal Immigration and Nationality Act (FINA) and all other Federal immigration laws and regulations related to the immigration status of its employees. The Contractor shall obtain statements from its subcontractors certifying compliance and shall furnish the statements to the Procurement Officer upon request. These warranties shall remain in effect through the term of the Contract. The Contractor and its subcontractors shall also maintain Employment Eligibility Verification forms (I-9) as required by the U.S. Department of Labor's Immigration and Control Act, for all employees performing work under the Contract. I-9 forms are available for download at <http://www.USCIS.GOV>.

The State may request verification of compliance for any Contractor or subcontractor performing work under the Contract. Should the State suspect or find that the Contractor or any of its subcontractors are not in compliance, the State may pursue any and all remedies allowed by law, including, but not limited to: suspension of work, termination of the Contract for default, and suspension and/or debarment of the Contract. All costs necessary to verify compliance are the responsibility of the Contractor.

- 21 **Federal Immigration And Nationality Act 2:** The contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, the contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the contractor and/or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to; suspension of work, termination of the contract for default and suspension and/or debarment of the contractor.
- 22 **IT 508 Compliance:** Any electronic or information technology offered to the State of Arizona under this solicitation shall comply with A.R.S. §§ 41-2531 and 2532 and Section 508 of the Rehabilitation Act of 1973, which requires that employees and members of the public shall have access to and use of information technology that is comparable to the access and use by employees and members of the public who are not individuals with disabilities. Any exceptions shall be declared in writing in the offer.


23. **Indemnification Clause**

Contractor shall indemnify, defend, save and hold harmless the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the State of Arizona.

This indemnity shall not apply if the contractor or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.

24. **Insurance Requirements**

Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

	Special Terms and Conditions		Arizona State Retirement System 3300 N Central Ave., Suite #1300 Phoenix, AZ 85012
	SOLICITATION NO.: RT09-003	PAGE 30	
	VENDOR: Distribution Copy	OF 81	

The *insurance requirements* herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

1) Commercial General Liability – Occurrence Form

- a) Policy shall include bodily injury, property damage, personal injury and broad form contractual liability coverage.
- b) General Aggregate \$2,000,000
- c) Products – Completed Operations Aggregate \$1,000,000
- d) Personal and Advertising Injury \$1,000,000
- e) Blanket Contractual Liability – Written and Oral \$1,000,000
- f) Fire Legal Liability \$ 50,000
- g) Each Occurrence \$1,000,000
- h) The policy shall be endorsed to include the following additional insured language: **“The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.”**
- i) Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

2) Automobile Liability

- a) Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.
- b) Combined Single Limit (CSL) \$1,000,000
- c) The policy shall be endorsed to include the following additional insured language: **“The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor.”**

3) Worker's Compensation and Employers' Liability

- a) Workers' Compensation Statutory
- b) Employers' Liability
- c) Each Accident \$ 500,000
- d) Disease – Each Employee \$ 500,000
- e) Disease – Policy Limit \$1,000,000
- f) Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
- g) This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

4) Professional Liability (Errors and Omissions Liability)

- a) Each Claim \$1,000,000
- b) Annual Aggregate \$2,000,000



Special Terms and Conditions

Arizona State Retirement System

SOLICITATION NO.: RT09-003

PAGE

31

OF

81

3300 N Central Ave., Suite #1300

Phoenix, AZ 85012

VENDOR: Distribution Copy

- c) In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.
- d) The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Work of this contract.

B. ADDITIONAL INSURANCE REQUIREMENTS: The policies shall include, or be endorsed to include, the following provisions:

- 1) The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees wherever additional insured status is required such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.
- 2) The Contractor's insurance coverage shall be primary insurance with respect to all other available sources.
- 3) Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

C. NOTICE OF CANCELLATION: Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the State of Arizona. Such notice shall be sent directly to the Procurement Officer listed on the first page of this contract and shall be sent by certified mail, return receipt requested.

D. ACCEPTABILITY OF INSURERS: Insurance is to be placed with duly licensed or approved non-admitted insurers in the state of Arizona with an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

E. VERIFICATION OF COVERAGE: Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

- 1) All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.
- 2) All certificates required by this Contract shall be sent directly to the Procurement Officer listed on the first page of this contract. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA'S RISK MANAGEMENT SECTION.**

F. SUBCONTRACTORS: Contractors' certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.

G. APPROVAL: Any modification or variation from the insurance requirements in this Contract shall be made by the Department of Administration, Risk Management Section, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

H. EXCEPTIONS: In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.



Pricing Schedule

SOLICITATION NO.: RT09-003

PAGE

33
OF
81

VENDOR: Distribution Copy

Arizona State Retirement System

3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

The offeror shall provide a price on all services listed below. Any offer shall include a firm, fixed, guaranteed, not to exceed price.

Line Item	Service	UM	Price
1	Service A		
2	Service B		
3	Service C		
4	Optional Tax Services		
5	Other		

In the event the ASRS exercised its option to renew the contract for additional periods pursuant to the applicable provisions in Part Three of this document, the offeror shall provide the maximum percentages of increase for each renewal period in the spaces below. The offeror is cautioned that the percentages shall be computed against the ORIGINAL contract price for each renewal period. If the following blanks are not completed, prices during renewal periods shall be the same as during the original. Further, the offeror is advised that the State of Arizona does not automatically grant any increase at the time of renewing the contract and that if an increase is requested, documentation of need must be provided at the time of renewal.

Renewal Period	Maximum % Increase
1 st Renewal Period	
2 nd Renewal Period	
3 rd Renewal Period	
4 th Renewal Period	

Authorized Signature

Date



Attachment A Questionnaire

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE

34

OF

81

VENDOR: Distribution Copy

FIRM–Common to Scope of Work Section III A, B & C

1. Please provide contact information, including firm name, contact person with job title, address, telephone, and fax.
2. Where is the firm's primary office located? Does your firm have other office locations? If so, please list addresses.
3. What is the operating history of your firm?
4. What is the ownership structure of your firm? Please include information on the legal structure and ownership interests.
5. What is the management philosophy at your firm?
6. What are your firm's key goals, especially as they relate to service to clients?
7. Did your firm have significant organizational or structural changes in the preceding five years? Does your firm have any significant organizational or structural changes planned for the next five years?

MANAGEMENT TEAM–Common to Scope of Work Section III A, B & C

1. Please provide a current organizational chart of your firm.
2. Please provide a summary of the responsibilities of key members of your firm.
3. Please identify and provide details on any staff members who have direct experience in private equity investments.
4. Do any of your staff members have work responsibilities or outside activities that pose an actual or potential conflict of interest?



Attachment A Questionnaire

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE

35

OF

81

VENDOR: Distribution Copy

5. What is the compensation scheme for staff members?
6. Please provide the name and resume of the investment professional at your firm who would be the main contact to the ASRS.
7. Please list the names of investment committee members and include a brief background on each member.

INVESTMENT STRATEGY-Common to Scope of Work Section III A & C (ONLY)

1. What is the firm's experience in analyzing and recommending private equity direct investments?
2. What is the firm's experience in analyzing and recommending strategic investments by institutional investors in private equity firms?
3. What is your firm's strategy and selection process for the investment of funds? What is unique about your firm's strategy?
4. What is the portfolio composition of your fund?
5. Please provide a list of all present and past separate accounts managed, including the names of clients, the size of total commitments for each client, and a brief investment strategy description for each account.
6. What is the long-term performance target for the fund?
7. What experience does your firm have in analyzing and recommending non-U.S. private equity investments?
8. What are the risks associated with your strategy? How does your firm intend to manage those risks?



Attachment A Questionnaire

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE

36

OF

81

VENDOR: Distribution Copy

9. If the fund has currency risk exposure, what is your currency risk policy?
10. Does your fund make or guarantee loans or provide interim/bridge financing to portfolio companies? If so, what are the terms of the loans and/or financing, including maximum levels?
11. What is the fee structure for the fund? Please include management fees and performance based compensation. Please state any other profit incentives and expenses that may be payable.

PORTFOLIO MONITORING-Common to Scope of Work Section III A & C (ONLY)

1. What is your firm's approach and capability to monitoring, measuring, and reporting private limited partnership activity?
2. Does your firm have a performance measurement system?
 - a. If so, what private limited partnership investment types are tracked in the system?
 - b. How many partnerships and funds are tracked in your performance database?
 - c. How many years of performance data is available in the system?
3. How often and in what manner is performance formally reviewed or audited?
4. Please describe your firm's communication policy (frequency, method, and amount of information provided) between the general partner and the limited partners during a fund's lifetime.
5. How is performance data reported to clients?
 - a. Is performance data provided to clients in hard copy, electronically or both?



Attachment A Questionnaire

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE

37

OF

81

VENDOR: Distribution Copy

- b. If electronic access to reports is provided, what is the manner of access - online secure access, files distributed via email, etc.?
- c. How frequently are performance reports produced?
- d. How soon are quarterly reports available after the end of each quarter?
- e. Do reports include an executive summary?
- f. Are customized reports available?

6. Please provide a copy of each of the following: annual report, online report, a periodic report to a limited partner, unaudited financial statement, and a capital account statement.

BACK OFFICE FUNCTIONS-Common to Scope of Work Section III B (ONLY)

- 1. What is your firm's back office capacity including but not limited to:
 - a. For validating and tracking capital draws, funding commitments, partnership management fees, and partnership extensions.
 - b. For preparing and execution of wire transfer paperwork. Please refer to the Scope of Work Section III(B)(3)(c).
 - c. Gathering, filing and maintaining all financial and legal data
 - d. Preparing quarterly general ledger journal entries from financial data



Attachment A Questionnaire

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE

38

OF

81

VENDOR: Distribution Copy

e. Calculation and verification of management fees

f. Calculation and verification of carried interest

2. What internal controls and procedures does your firm have to oversee back office services?
3. How many professional employees and support staff employees are responsible for monitoring, accounting and reporting private equity investment activity?
4. What are the names of the auditing and law firms that your firm utilizes?
5. Are investments carried at cost or valued on an interim basis? What is the valuation methodology if your firm will value investments prior to the final valuation?
6. What evaluation guideline does your firm follow – AFIC, BVCA, EVCA, etc.? Who performs the evaluation, the reviews, and the audits, and how is each function performed?
7. What is the fee structure for providing back office services? Please include management fees and performance based compensation. Are any other profit incentives or expenses payable?

CLIENTS

1. What is your current client base?
2. What are the history and future projections of client asset growth?
3. Do your clients invest directly in private equity or do they utilize a manager to service their portfolio? What are your firm's position and advice to clients on direct investment versus managed portfolios?



Attachment A

Questionnaire

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE

39

OF

81

VENDOR: Distribution Copy

- Please provide references from four current private equity clients and include the client entity's name, client contact person, address, telephone number, the length of the relationship, and a portfolio description.



Attachment B

Offeror's Experience

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE
40

VENDOR: Distribution Copy

OF
81

INFORMATION TO BE PROVIDED FOR REFERENCES

WITH COMPARABLE EXPERIENCE

1. Contract Title (if applicable): _____
2. Contract Period: From _____ To _____
3. Geographic Area Served: _____
4. Scope of Work: _____
5. Reference:
Company: _____
Individual/Title: _____
City: _____ State: _____
Telephone: _____
Email Address: _____
Website Address: _____



Attachment B

Offeror's Experience

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE
41

VENDOR: Distribution Copy

OF
81

INFORMATION TO BE PROVIDED FOR REFERENCES

WITH COMPARABLE EXPERIENCE

1. Contract Title (if applicable): _____
2. Contract Period: From _____ To _____
3. Geographic Area Served: _____
4. Scope of Work: _____
5. Reference:
Company: _____
Individual/Title: _____
City: _____ State: _____
Telephone: _____
Email Address: _____
Website Address: _____



Attachment B

Offeror's Experience

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE
42

VENDOR: Distribution Copy

OF
81

INFORMATION TO BE PROVIDED FOR REFERENCES

WITH SIMILAR EXPERIENCE

1. Contract Title (if applicable): _____

2. Contract Period: From _____ To _____

3. Geographic Area Served: _____

4. Scope of Work: _____

5. Reference:
Company: _____

Individual/Title: _____

City: _____ State: _____

Telephone: _____

Email Address: _____

Website Address: _____



Attachment B

Offeror's Experience

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE
43

VENDOR: Distribution Copy

OF
81

INFORMATION TO BE PROVIDED FOR REFERENCES

WITH SIMILAR EXPERIENCE

1. Contract Title (if applicable): _____
2. Contract Period: From _____ To _____
3. Geographic Area Served: _____
4. Scope of Work: _____
5. Reference:
Company: _____
Individual/Title: _____
City: _____ State: _____
Telephone: _____
Email Address: _____
Website Address: _____



Attachment C

Narrative

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE
44

VENDOR: Distribution Copy

OF
81

NARRATIVE

Offerors should include any additional information in the section below:



Attachment D Exceptions

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE
45

VENDOR: Distribution Copy

OF
81

EXCEPTIONS

Offeror to indicate below any exceptions (other than those noted under previous questionnaire pages) taken to the solicitation:



Exhibit A

Initial Capital Call Form

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE
46

VENDOR: Distribution Copy

OF
81

INITIAL CAPITAL CALL FORM

Manager/Fund Name: _____

Manager/Fund Account Number: _____

Capital Call Amount: _____

Capital Call Due Date: _____

Currency: USD-US Dollar

- ☐ Verified ASRS has received a counter-signed Subscription Agreement or other counter-signed contract which binds both ASRS and the manager/fund to ASRS' commitment amount.
- ☐ Attach to this form the written list from the manager providing ASRS Investment Management Division Real Estate staff (IMD RE) with at least two and preferably three persons that can be contacted to verify capital call wire instructions, capital call amount and due date. The list should include the persons name, title, email address, physical address, telephone and fax numbers.
- ☐ Updated the list of contact persons in the Funding Notice Summary Sheet located in front of the Capital Call tab in the manager/funds general binder.
- ☐ Made and saved an electronic copy of the list provided by the manager/fund to be used to confirm capital calls to the ASRS Content Management System (CMS).
- ☐ Filed the hard copy of the list above into the Misc. tab in the manager/funds general binder.
- ☐ Verified the capital call wire instructions, capital call amount and due date with two individuals at the manager/fund. These two individuals were chosen from the list provided by the manager/fund and entered into the Funding Notice Summary Sheet referenced above. One of the verifications should be a written confirmation, preferably by email, and the second is to be a verbal confirmation with a different individual.
- ☐ Logged the written and verbal confirmation of the capital call into the Funding Confirmation Worksheet which is located in the Capital Call tab in the manager/funds general binder.
- ☐ Saved an electronic copy of the confirmation from the manager/fund above into CMS. Attached hard copy of confirmation with this form.
- ☐ Verified that the following individual at Mellon; , has performed an independent verification of the initial capital call wire instructions, capital call amount and due date with the following individual at ASRS; .
- ☐ Attached with this form is a copy of the written confirmation received from Mellon verifying that Mellon has performed their independent verification of this initial capital call. The email or other written confirmation includes what items were verified, with whom at ASRS and on what date the verification was performed.
- ☐ Updated Contribution/Distribution Worksheet located in the Capital Call tab of the manager/funds general binder.
- ☐ The following individual within ASRS IMD; , has been given the capital call amount and due date. This individual will be responsible for sourcing the amounts that will be used to fund this capital call and having the funds available in Master Cash prior to funding. Along with the Capital Call Notice will be direction and authorization to Mellon to transfer this call amount from Master Cash into the manager/funds Mellon account for final wiring to the manager.



Exhibit A

Initial Capital Call Form

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE
47

VENDOR: Distribution Copy

OF
81

☐ The following materials, if applicable, have been made available to the signers of this real estate capital call:

- a. Manager/fund general binder, if completed.
- b. Capital call notice which shall include a signature block and other directions to Mellon that is similar to Exhibit D in Operational Procedure – Real Estate Manager/Fund Initial Capital Calls. The signature block should have a space for the initial, second and final authorized signer to sign, date and print his/her name and title.

The signature block should also list the manager/fund name and account number, capital call amount and due date.

A final item that may be on the signature block or on a separate document is the directions and authorization from ASRS to Mellon on how to transfer funds into the manager/fund real estate account to be used to fund the capital call. Either the Director or CIO at ASRS must sign and date.

- c. Contribution/Distribution Worksheet, if not already in general binder.
- d. Funding Notice Summary Sheet, if not already in general binder.
- e. Funding Confirmation Worksheet, if not already in general binder.
- f. Written confirmation email from manager/fund confirming wire instructions, capital call amount and due date.
- g. Written confirmation email from Mellon confirming that they performed there initial capital call independent verification.
- h. Any other supplemental documentation provided by the manager/fund to be used to verify management fee and upfront interest payment calculations. This would be necessary if IMD RE can not independently verify these amounts and their respective calculations.

Confirmation Items By Initial Signer - The Initial Signer of this capital call has performed the following checks prior to signing this Initial Capital Call Form and the Capital Call Notice signature page:

1. Verified that the funds are being used to pay for investments that fall within the pre-approved manager/funds investment strategy and constraints or to pay management or other fees or upfront interest payments that are also part of the strategy.
2. Verified that ASRS has received one written confirmation and one verbal confirmation from the manager on the wire instructions, capital call amount and due date. These confirmations have been logged into the Funding Confirmation Worksheet and a copy of the written verification has been attached to this Initial Capital Call Form.
3. Verified wire instructions, capital call amount and due date per the capital call notice matches confirm from the manager/fund.
4. Verified that the wire instructions per the capital call notice matches to the wire instructions on the Funding Notice Summary Sheet located in the front of the Capital Call tab in the manager/fund general binder.
5. Verified the accuracy of the management fee or other fee calculation as well as any upfront interest paid at closing. Attach any supporting documentation to this Initial Capital Call Form.
6. Verified that the Contribution/Distribution Worksheet located in the Capital Call tab of the manager/fund general binder has been updated to reflect the capital call amount and date. Also, verified that the remaining commitment amount after this call is greater than or equal to zero.
7. Signed and dated this Initial Capital Call Form in the space provided below.
8. Signed and dated the initial Capital Call Notice signature page.

Initial Signer Signature

Date

Confirmation Items By Second Signer - The Second Signer of this capital call has performed the following checks prior to signing this Initial Capital Call Form and the Capital Call Notice signature page:



Exhibit A

Initial Capital Call Form

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE
48

VENDOR: Distribution Copy

OF
81

1. Verified that ASRS has received one written confirmation and one verbal confirmation from the manager on the wire instructions, capital call amount and due date. These confirmations have been logged into the Funding Confirmation Worksheet and a copy of the written verification has been attached to this Initial Capital Call Form.
2. Verified wire instructions, capital call amount and due date per the capital call notice matches confirm from the manager/fund.
3. Verified that the wire instructions per the capital call notice matches to the wire instructions on the Funding Notice Summary Sheet located in the front of the Capital Call tab in the manager/fund general binder.
4. Verified that the Contribution/Distribution Worksheet located in the Capital Call tab of the manager/fund general binder has been updated to reflect the capital call amount and date. Also, verified that the remaining commitment amount after this call is greater than or equal to zero.
5. Signed and dated this Initial Capital Call Form in the space provided below.
6. Signed and dated the initial Capital Call Notice signature page.

Second Signer Signature

Date

- ☐ The Final Authorization signer; , has signed and dated the initial Capital Call Notice signature page.
- ☐ The following items have been performed regarding the signed and dated initial Capital Call Notice:
 1. Made an electronic copy of the signed and dated initial Capital Call Notice.
 2. Emailed the electronic copy to the following individual at Mellon; , with a request that this individual send a reply email confirming the wire instructions, capital call amount and due date.
- ☐ Verified that the confirmation email from Mellon matches the wire instructions, capital call amount and due date in the initial Capital Call Notice.
- ☐ Attached a copy of the Mellon confirmation email for the item above to this Initial Capital Call Form.
- ☐ Filed a hard copy of all capital call documents including this form and its attachments into a temporary file folder for the manager/fund awaiting confirmation on Mellon Client Reporting and with the manager/fund after the funding date.
- ☐ Logged the initial capital call amount and due date onto the IMD Real Estate blackboard in the IMD trading area.
- ☐ Confirmed the following items using Mellon's Client Reporting System:
 1. The initial capital call amount and date wired to manager/fund match the initial Capital Call Notice.
 2. The initial capital call amount was coded properly. Capital call amounts representing upfront interest to be paid at close should have been recorded as an interest expense. All other capital call amounts should have been recorded as a purchase.

The confirmation process is as follows:

- a. In Mellon Client Reporting open the Accounting Transactions reports directory.
- b. Select Transaction Detail report.
- c. Under Settings tab, select the following parameters:
 - i. Account – Select applicable manager/fund account number.
 - ii. Security ID Type – Select Mellon Security ID.
 - iii. Begin Date – Enter capital call due date.
 - iv. End Date – Enter capital call due date.
 - v. Reported/Posted/Effective – Select As Reported.



Exhibit A

Initial Capital Call Form

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE
49

VENDOR: Distribution Copy

OF
81

- d. Run the report and print.
- e. Confirm that the amount wired was correct and that the funding was coded properly.
- f. Attach the Transaction Detail printed report to the Initial Capital Call Form.

☐ Verified, in writing, with one of the individuals at the manager/fund listed on the Funding Notice Summary Sheet located in the Capital Call tab in the manager/funds general binder that the capital call amount has been received, in the correct amount, and by the due date.

☐ Attached the written confirmation from the manager/fund to this Initial Capital Call Form.

☐ Filed electronic copies of the following documents into the Content Management System (CMS):

1. Original, signed and dated, initial Capital Call Notice with signature page and any separate documents needed to direct and authorize Mellon on the transfer of funds from Master Cash into the managers/funds Mellon account.
2. Initial Capital Call Form with attachments. The attachments should include:
 - A. Written confirmation from manager/fund on wire instructions, call amount and due date.
 - B. Written confirmation from Mellon on the performance of their initial capital call independent verification.
 - C. Written confirmation from Mellon after receiving the signed and dated Capital Call Notice from ASRS.
 - D. Transaction Report from Mellon Client Reporting verifying the capital call amount, date paid and coding.
 - E. Written confirmation from manager/fund verifying that they have received the correct capital call amount and on the date that it was to be wired per the original capital call notice.

☐ Filed all of the hard copy documents in the manager/funds temporary file folder into the manager/funds general binder in the Capital Call tab.

The individual that completed this form has signed and dated below:

Signature

Date

Printed Name



Exhibit B

Subsequent Capital Call Form

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE
50

VENDOR: Distribution Copy

OF
81

SUBSEQUENT CAPITAL CALL FORM

Manager/Fund Name: _____
Manager/Fund Account Number: _____
Capital Call Amount: _____ Currency: USD-US Dollar
Capital Call Due Date: _____

- ☐ Logged the capital call amount and due date onto the IMD Real Estate whiteboard in the IMD trading area.
- ☐ Verified, in writing, the capital call amount and due date with one individual at the manager/fund. This individual was chosen from the list provided by the manager/fund and entered into the **Funding Notice Checklist** located in the front of the Capital Call tab in the manager/funds general binder.
- ☐ Logged the written confirmation of the capital call into the **Funding Control Checklist** which is located in the Capital Call tab in the manager/funds general binder.
- ☐ Attached a hard copy of the confirmation with this form.
- ☐ Updated **Commitment Worksheet** located in the Capital Call tab of the manager/funds general binder.
- ☐ The following individual(s) within ASRS IMD;

Check appropriate box:

- ☐ Brian Luedtke, Fixed Income Portfolio Manager Primary Contact
- ☐ Sarah Wadsworth, Senior Portfolio Analyst Secondary Contact

has been given the capital call amount and due date. This individual(s) will be responsible for sourcing the amounts to be used to fund this capital call and having the funds available in Master Cash prior to funding. Along with the Capital Call Notice will be direction and authorization to Mellon to transfer this call amount from Master Cash into the manager/funds Mellon account for final wiring to the manager.

- ☐ The following materials, if applicable, have been made available to the signers of this real estate capital call:
 - a. Manager/fund general binder, if completed.
 - b. Capital call notice which shall include a signature block and other directions to Mellon that is similar to Exhibit D in Operational Procedure – Real Estate Manager/Fund Initial Capital Calls. The signature block should have a space for the initial, second and final authorized signer to sign, date and print his/her name and title.

The signature block should also list the manager/fund name and account number, capital call amount and due date.

A final item that may be on the signature block or on a separate document is the directions and authorization from ASRS to Mellon on how to transfer funds into the manager/fund real estate account to be used to fund the capital call. Either the Director or CIO at ASRS must sign and date.

- c. Commitment Worksheet, if not already in general binder.



Exhibit B

Subsequent Capital Call Form

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE
51

VENDOR: Distribution Copy

OF
81

- d. Funding Notice Checklist, if not already in general binder.
- e. Funding Control Checklist, if not already in general binder.
- f. Written confirmation email from manager/fund confirming capital call amount and due date.
- g. Any other supplemental documentation provided by the manager/fund to be used to verify management fee and upfront interest payment calculations. This would be necessary if IMD RE cannot independently verify these amounts and their respective calculations.

Confirmation Items By Initial Signer - The Initial Signer of this capital call has performed the following checks prior to signing this Subsequent Capital Call Form and the Capital Call Notice signature page:

1. Verified that the funds are being used to pay for investments that fall within the pre-approved manager/funds investment strategy and constraints or to pay management or other fees or upfront interest payments that are also part of the strategy.
2. Verified that ASRS has received a written confirmation from the manager on the capital call amount and due date. This confirmation has been logged into the **Funding Control Checklist** and a copy of the written verification has been attached to this Subsequent Capital Call Form.
3. Verified that the capital call amount and due date per the capital call notice matches confirm from the manager/fund.
4. Verified that the wire instructions per the capital call notice matches to the wire instructions on the **Funding Notice Checklist** located in the front of the Capital Call tab in the manager/fund general binder.
5. Verified the accuracy of the management fee or other fee calculation as well as any upfront interest paid at closing. Attach any supporting documentation to this Initial Capital Call Form.
6. Verified that the **Commitment Worksheet** located in the Capital Call tab of the manager/fund general binder has been updated to reflect the capital call amount and date. Also, verified that the remaining commitment amount after this call is greater than or equal to zero.
7. Signed and dated this Subsequent Capital Call Form in the space provided below.
8. Signed and dated the Capital Call Notice signature page.

Initial Signer Signature

Date

Confirmation Items By Second Signer - The Second Signer of this capital call has performed the following checks prior to signing this Subsequent Capital Call Form and the Capital Call Notice signature page:

1. Verified that ASRS has received a written confirmation from the manager on the capital call amount and due date. This confirmation has been logged into the **Funding Control Checklist** and a copy of the written verification has been attached to this Subsequent Capital Call Form.
2. Verified that the capital call amount and due date per the capital call notice matches confirm from the manager/fund.
3. Verified that the wire instructions per the capital call notice matches to the wire instructions on the **Funding Notice Checklist** located in the front of the Capital Call tab in the manager/fund general binder.
4. Verified that the **Commitment Worksheet** located in the Capital Call tab of the manager/fund general binder has been updated to reflect the capital call amount and date. Also, verified that the remaining commitment amount after this call is greater than or equal to zero.
5. Signed and dated this Subsequent Capital Call Form in the space provided below.
6. Signed and dated the Capital Call Notice signature page.

Second Signer Signature

Date



Exhibit B

Subsequent Capital Call Form

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE
52

VENDOR: Distribution Copy

OF
81

- ☐ The Final Authorization signer;

Please check one individual only:

- ☐ Gary R. Dokes, Chief Investment Officer
- ☐ Paul Matson, Director
- ☐ Kent Smith, Acting Director
- ☐ Anthony Guarino, Acting Director

has **signed and dated** the Capital Call Notice signature page.

- ☐ The following items have been performed regarding the signed and dated Capital Call Notice:

1. Made an electronic copy of the signed and dated Capital Call Notice.
2. Emailed the electronic copy to the following individual(s) at Mellon;

Please place a check next to the appropriate individual(s):

- ☐ Jennifer Hildenbrand
- ☐ Darin Marcinko
- ☐ Todd Schultz

with a request that a reply email is sent back to ASRS confirming the capital call amount and due date.

- ☐ Verified that the confirmation email from Mellon matches the capital call amount and due date in the Capital Call Notice.
- ☐ Attached a copy of the Mellon confirmation email for the item above to this Subsequent Capital Call Form.
- ☐ Filed electronic copies of the following documents into the Content Management System (CMS) or in the P drive under the manager/fund capital calls subdirectory:
1. Original, signed and dated, Capital Call Notice with signature page and any separate documents needed to direct and authorize Mellon on the transfer of funds from Master Cash into the managers/funds Mellon account.
 2. Subsequent Capital Call Form with attachments. The attachments should include:
 - F. Written confirmation from manager/fund on call amount and due date.
 - G. Written confirmation from Mellon after receiving the signed and dated Capital Call Notice from ASRS.
- ☐ Filed above documents into the manager/funds general binder in the Capital Call tab.
- ☐ Confirmed the following items using Mellon's Client Reporting System:

1. The capital call amount and date wired to manager/fund match the Capital Call Notice.
2. The capital call amount was coded properly. Capital call amounts representing upfront interest to be paid at close should have been recorded as an interest expense. All other capital call amounts should have been recorded as a purchase.



Exhibit B

Subsequent Capital Call Form

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE
53

VENDOR: Distribution Copy

OF
81

The confirmation process is as follows:

- a. In Mellon Client Reporting open the Accounting Transactions reports directory.
- b. Select Transaction Detail report.
- c. Under Settings tab, select the following parameters:
 - i. Account – Select applicable manager/fund account number.
 - ii. Security ID Type – Select Mellon Security ID.
 - iii. Begin Date – Enter capital call due date.
 - iv. End Date – Enter capital call due date.
 - v. Reported/Posted/Effective – Select As Reported.
- d. Run the report and print.
- e. Confirm that the amount wired was correct and that the funding was coded properly.
- f. Attach the Transaction Detail printed report to the Subsequent Capital Call Form.

☐ Verified, in writing, with one of the individuals at the manager/fund listed on the **Funding Notice Checklist** located in the Capital Call tab in the manager/funds general binder that the capital call amount has been received, in the correct amount, and by the due date.

☐ Filed electronic copies of the following documents into the Content Management System (CMS) or in the P drive under the manager/fund capital calls subdirectory:

- A. Transaction Report from Mellon Client Reporting verifying the capital call amount, date paid and coding.
- B. Written confirmation from manager/fund verifying that they have received the correct capital call amount and on the date that it was to be wired per the original capital call notice.

☐ Filed above documents into the manager/funds general binder in the Capital Call tab.

The individual that completed this form has signed and dated below:

Signature

Date

Printed Name



Exhibit C

Private Limited Partnership Activity

**Arizona State Retirement
System**
3300 N. Central Avenue, Suite
1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE
54

VENDOR: Distribution Copy

OF
81

Please complete this form each quarter and email to Rochelle Witharana
at rochelleg@azasrs.gov along with the Quarterly Financial Statements

ASRS' Share of Monthly Investment Activity

Name of Partnership: **Platinum Equity Partners II**

For the Quarter Ending : **June 30, 2008**

**ASRS' Share
of Investment
Activity
For The Quarter
Ended**

Please Circle One for the Items Below

Data Provided is:

Estimated

Final

Data Provided is:

Cash Basis

Accrual Basis

ASRS' Capital Account @ the Beginning of the Quarter

0.00

Plus:

Capital Contributions from ASRS

0.00

Investment Income

0.00

Interest Income

0.00

Realized Gains

0.00



Exhibit C

Private Limited Partnership Activity

**Arizona State Retirement
System**
3300 N. Central Avenue, Suite
1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE
55

VENDOR: Distribution Copy

OF
81

Unrealized Gains

0.00

Total Additions

0.00

Less:

Investment (Losses)

0.00

Syndication Costs

0.00

Expenses Other than Management Fees

0.00

Management Fees (If Deducted from Capital Account)

0.00

Incentive Fees (If Deducted from Capital Account)

0.00

Realized Losses

0.00

Unrealized Losses

0.00

Distributions to ASRS (If Deducted from Capital Account)

0.00

Total Subtractions

0.00

ASRS' Capital Account @ End of Quarter

0.00

ASRS' Partners Capital as Reported on Quarterly Financial Statement

Supplemental Information:

ASRS Remaining Capital Commitment

\$

Admission Fees/Interest

\$

Please provide the name and phone number of a contact person should any questions arise in regards to the submittal of this form.



Exhibit C

Private Limited Partnership Activity

**Arizona State Retirement
System**
3300 N. Central Avenue, Suite
1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE
56

VENDOR: Distribution Copy

OF
81

Contact Name: _____

Phone Number : _____



Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE
57

VENDOR: Distribution Copy

OF
81[illegible]



Exhibit D1

Private Limited Partnership Reconciliation

PE SCNA

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE
58

VENDOR: Distribution Copy

OF
81[illegible][illegible]

Cash Flows Q1 2008:

[illegible]

Cash Flows Q2 2008:

[illegible]



Exhibit D1

Private Limited Partnership Reconciliation

PE SCNA

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003	PAGE 59
VENDOR: Distribution Copy	OF 81

Net Asset Value with Cash Flows to date - - - - -

Detail Capital Calls

3/17/2008
3/6/2008
3/31/2008

3/25/2008

3/12/2008
3/12/2008

4/8/2008
4/9/2008
4/15/2008

4/3/008

3/25/2008
4/18/2008

Admission Interest - Cap Call 2/29/08
Admission Interest - Return of Capital
3/20/08



Exhibit D3

Private Limited Partnership Reconciliation

PE 06-30-08

**Arizona State Retirement
System**
3300 N. Central Avenue, Suite
1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE
61

VENDOR: Distribution Copy

OF
81

DATE

9/25/2008

EFFECTIVE DATE

6/30/2008

DESCRIPTION

TO RECORD PRIVATE INVESTMENT ACTIVITY
THROUGH 6/30/08

PREPARED BY

ENTERED BY

JOURNAL NUMBER

POSTED BY

Date	Description	ORG	Object	Project #	Debit	Credit
6/30/2008	TO RECORD PRIVATE EQUITY ACTIVITY - only book Quarterly					
	DIVIDEND REVENUE	0000	154020	17720		0.00
	INTEREST REVENUE	0000	154030	17720		0.00
	MISCELLANEOUS INCOME	0000	154070	17720		0.00
	PRIVATE EQUITY REVENUE	0000	154060	17720	0.00	
	GAIN ON SALE OF INVESTMENTS	0000	154080	17720		0.00
	UNREALIZED GAIN/LOSS ON INVESTMENTS	0000	154090	17720	0.00	
	MANAGER FEES	0000	155010	17720	0.00	
	MISCELLANEOUS EXPENSES	0000	155070	17720	0.00	
	PRIVATE EQUITY	0000	152060	17720		0.00

Reconciliation of Real Estate Entry

Excess Revenue over Expense 9/30/07

3,596,490.94

Adjustment to RE Value for Calyle

#REF!

Net RE Adjustment Needed

#REF!



Exhibit E1

Private Equity Cash Flows

Arizona State Retirement System

3300 N. Central Avenue,
Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE
62

VENDOR: Distribution Copy

OF
81

Manager	Date	Cash Out	Cash In	Net Flow	Cum Flow
Manager A	10/19/07	-1,598,510.00		-\$1,598,510.00	-\$1,598,510.00
Manager B	10/22/07	-3,107,165.00		-\$3,107,165.00	-\$4,705,675.00
Manager D	11/6/07	-3,928,534.00		-\$3,928,534.00	-\$8,634,209.00
Manager Z	11/28/07	-2,500,000.00		-\$2,500,000.00	-\$11,134,209.00
		-		-	
Manager F	11/28/07	14,386,418.00		\$14,386,418.00	-\$25,520,627.00
Manager E	11/30/07	-353,489.00		-\$353,489.00	-\$25,874,116.00
Manager K	12/04/07	-1,135,343.00		-\$1,135,343.00	-\$27,009,459.00
Manager M	12/06/07		136,771.00	\$136,771.00	-\$26,872,688.00
Manager L	12/10/07	-291,238.00		-\$291,238.00	-\$27,163,926.00
Manager A	12/12/07		1,007.00	\$1,007.00	-\$27,162,919.00
Manager D	12/12/07		505,403.00	\$505,403.00	-\$26,657,516.00
Manager C	12/18/07	-475,283.00		-\$475,283.00	-\$27,132,799.00
Manager S	12/20/07	-2,668,810.00		-\$2,668,810.00	-\$29,801,609.00
Manager X	12/20/07	-1,619,173.00		-\$1,619,173.00	-\$31,420,782.00
Manager A	12/27/07	-940,012.00		-\$940,012.00	-\$32,360,794.00
Manager B	12/28/07	-6,062,654.11		-\$6,062,654.11	-\$38,423,448.11
Manager D	12/28/07	-4,400,000.00		-\$4,400,000.00	-\$42,823,448.11
Manager Z	1/2/08	-331,494.00		-\$331,494.00	-\$43,154,942.11
Manager F	1/11/08	-586,740.00		-\$586,740.00	-\$43,741,682.11
Manager E	1/18/08	-2,400,000.00		-\$2,400,000.00	-\$46,141,682.11
Manager K	1/22/08	-1,000,000.00		-\$1,000,000.00	-\$47,141,682.11
Manager M	1/22/08	-500,000.00		-\$500,000.00	-\$47,641,682.11
Manager L	1/23/08	-499,891.42		-\$499,891.42	-\$48,141,573.53
Manager A	1/25/08	-4,000,000.00		-\$4,000,000.00	-\$52,141,573.53
Manager D	1/30/08	-1,850,000.00		-\$1,850,000.00	-\$53,991,573.53
Manager C	1/31/08	-847,817.69		-\$847,817.69	-\$54,839,391.22
Manager S	2/21/08	-2,975,086.00		-\$2,975,086.00	-\$57,814,477.22
Manager X	2/26/08	-500,000.00		-\$500,000.00	-\$58,314,477.22
Manager A	2/29/08	-5,891,174.00		-\$5,891,174.00	-\$64,205,651.22
Manager B	3/7/08	-916,110.00		-\$916,110.00	-\$65,121,761.22
Manager D	3/6/08	-3,209,839.00		-\$3,209,839.00	-\$68,331,600.22
Manager Z	3/17/08	-3,304,247.00		-\$3,304,247.00	-\$71,635,847.22
Manager F	3/17/08	-150,078.00		-\$150,078.00	-\$71,785,925.22
Manager E	3/19/08	-1,600,000.00		-\$1,600,000.00	-\$73,385,925.22
Manager K	3/25/08	-343,644.00		-\$343,644.00	-\$73,729,569.22
Manager M	3/26/08	-2,817,193.00		-\$2,817,193.00	-\$76,546,762.22
Manager L	3/26/08	-465,530.00		-\$465,530.00	-\$77,012,292.22
Manager A	3/26/08		224,546.00	\$224,546.00	-\$76,787,746.22
Manager D	3/27/08		271,601.00	\$271,601.00	-\$76,516,145.22
Manager C	3/28/08	-4,414,279.08		-\$4,414,279.08	-\$80,930,424.30
Manager S	3/31/08	-315,126.00		-\$315,126.00	-\$81,245,550.30
Manager X	4/1/08	-300,000.00		-\$300,000.00	-\$81,545,550.30
Manager A	4/2/08	-103,600.00		-\$103,600.00	-\$81,649,150.30
Manager B	4/9/08	-6,631,805.60		-\$6,631,805.60	-\$88,280,955.90



Exhibit E1

Private Equity Cash Flows

Arizona State Retirement System
3300 N. Central Avenue,
Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE
63

VENDOR: Distribution Copy

OF
81

Manager D	4/11/08		171,273.00	\$171,273.00	-\$88,109,682.90
Manage Z	4/15/08		303,173.00	\$303,173.00	-\$87,806,509.90
Manager F	4/21/08	-151,742.47		-\$151,742.47	-\$87,958,252.37
Manager E	4/21/08	-100,000.00		-\$100,000.00	-\$88,058,252.37
Manager K	4/22/08	-1,331,322.00		-\$1,331,322.00	-\$89,389,574.37
Manager M	4/22/08	-174,521.00		-\$174,521.00	-\$89,564,095.37
Manager L	4/23/08	-7,272,712.00		-\$7,272,712.00	-\$96,836,807.37
Manager A	4/23/08	-3,135,236.00		-\$3,135,236.00	-\$99,972,043.37
					-
Manager D	4/28/08	-300,514.00		-\$300,514.00	\$100,272,557.37
					-
Manager C	4/28/08	-49,970.00		-\$49,970.00	\$100,322,527.37
					-
Manager S	4/29/08	-422,579.00		-\$422,579.00	\$100,745,106.37
					-
Manager X	5/1/08	-2,800,000.00		-\$2,800,000.00	\$103,545,106.37
					-
Manager A	5/1/08		596,009.42	\$596,009.42	\$102,949,096.95
					-
Manager B	5/15/08	-750,000.00		-\$750,000.00	\$103,699,096.95
					-
Manager D	5/16/08		422,579.00	\$422,579.00	\$103,276,517.95
					-
Manage Z	5/23/08	-350,000.00		-\$350,000.00	\$103,626,517.95
					-
Manager F	5/27/08	-1,016,364.00		-\$1,016,364.00	\$104,642,881.95
					-
Manager E	6/9/08	-1,242,920.00		-\$1,242,920.00	\$105,885,801.95
					-
Manager K	6/9/08		3,304,247.00	\$3,304,247.00	\$102,581,554.95
					-
Manager M	6/16/08	-650,000.00		-\$650,000.00	\$103,231,554.95
					-
Manager L	6/18/08	-138,839.00		-\$138,839.00	\$103,370,393.95
					-
Manager A	6/19/08	-3,380,631.00		-\$3,380,631.00	\$106,751,024.95
					-
Manager D	6/20/08	-1,000,000.00		-\$1,000,000.00	\$107,751,024.95
					-
Manager C	6/23/08	-1,000,000.00		-\$1,000,000.00	\$108,751,024.95
					-
Manager S	6/25/08	-2,000,770.00		-\$2,000,770.00	\$110,751,794.95
					-
Manager X	6/26/08	-3,867,510.00		-\$3,867,510.00	\$114,619,304.95
					-
Manager A	6/26/08	-1,500,000.00		-\$1,500,000.00	\$116,119,304.95
					-
Manager B	6/26/08		57,316.85	\$57,316.85	\$116,061,988.10
					-
Manager D	6/27/08	-4,250,904.21		-\$4,250,904.21	\$120,312,892.31
Manage Z	6/27/08	-2,875,586.85		-\$2,875,586.85	-



Exhibit E1

Private Equity Cash Flows

Arizona State Retirement System
3300 N. Central Avenue,
Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE
64

VENDOR: Distribution Copy

OF
81

					\$123,188,479.16
					-
Manager F	7/1/08	-318,955.00		-\$318,955.00	\$123,507,434.16
					-
Manager E	7/1/08	-132,733.00		-\$132,733.00	\$123,640,167.16
					-
Manager K	7/3/08	-314,826.00		-\$314,826.00	\$123,954,993.16
					-
Manager M	7/11/08	-263,040.00		-\$263,040.00	\$124,218,033.16
					-
Manager L	7/21/08	-1,500,000.00		-\$1,500,000.00	\$125,718,033.16
					-
Manager A	7/22/08	-3,512,412.00		-\$3,512,412.00	\$129,230,445.16
					-
Manager D	7/25/08		432,549.00	\$432,549.00	\$128,797,896.16
					-
Manager C	7/25/08	-1,228,096.00		-\$1,228,096.00	\$130,025,992.16
					-
Manager S	7/29/08	-1,964,555.75		-\$1,964,555.75	\$131,990,547.91
					-
Manager X	7/29/08	-227,379.00		-\$227,379.00	\$132,217,926.91
					-
Manager A	7/29/08	-62,500.00		-\$62,500.00	\$132,280,426.91
					-
Manager B	7/29/08	12,760,597.66		\$12,760,597.66	\$145,041,024.57
					-
Manager D	7/31/08	-129,369.00		-\$129,369.00	\$145,170,393.57
					-
Manager Z	7/31/08	-2,400,000.00		-\$2,400,000.00	\$147,570,393.57
					-
Manager F	8/1/08	-134,901.00		-\$134,901.00	\$147,705,294.57
					-
Manager E	8/1/08		5,089,104.27	\$5,089,104.27	\$142,616,190.30
					-
Manager K	8/4/08	-7,306,471.00		-\$7,306,471.00	\$149,922,661.30
					-
Manager M	8/5/08	-1,355,884.00		-\$1,355,884.00	\$151,278,545.30
					-
Manager L	8/7/08	-118,862.00		-\$118,862.00	\$151,397,407.30
					-
Manager A	8/8/08		10,002.00	\$10,002.00	\$151,387,405.30
					-
Manager D	8/11/08		572,164.00	\$572,164.00	\$150,815,241.30
					-
Manager C	8/11/08	-500,000.00		-\$500,000.00	\$151,315,241.30
					-
Manager S	8/14/08		400,000.00	\$400,000.00	\$150,915,241.30
					-
Manager X	8/14/08		40,471.13	\$40,471.13	\$150,874,770.17
					-
Manager A	8/14/08		1,118,024.34	\$1,118,024.34	\$149,756,745.83
Manager B	8/21/08		2,370,123.00	\$2,370,123.00	-



Exhibit E1

Private Equity Cash Flows

Arizona State Retirement System
 3300 N. Central Avenue,
 Suite 1300
 Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE
65

VENDOR: Distribution Copy

OF
81

					\$147,386,622.83
					-
Manager D	8/22/08	-58,894.23		-\$58,894.23	\$147,445,517.06
					-
Manage Z	8/22/08		476,942.00	\$476,942.00	\$146,968,575.06
					-
Manager F	8/26/08	-390,031.00		-\$390,031.00	\$147,358,606.06
					-
Manager E	8/26/08	-2,160,932.00		-\$2,160,932.00	\$149,519,538.06
					-
Manager K	8/26/08	-400,000.00		-\$400,000.00	\$149,919,538.06
					-
Manager M	8/27/08	-2,000,000.00		-\$2,000,000.00	\$151,919,538.06
					-
Manager L	8/28/08	-2,100,000.00		-\$2,100,000.00	\$154,019,538.06
					-
Manager A	8/29/08	-1,177,800.00		-\$1,177,800.00	\$155,197,338.06
					-
Manager D	9/3/08	-600,000.00		-\$600,000.00	\$155,797,338.06
					-
Manager C	9/3/08		159,885.11	\$159,885.11	\$155,637,452.95
					-
Manager S	9/5/08	-181,903.00		-\$181,903.00	\$155,819,355.95
					-
Manager X	9/8/08	-2,995,655.00		-\$2,995,655.00	\$158,815,010.95
					-
Manager A	9/11/08	-1,485,338.00		-\$1,485,338.00	\$160,300,348.95
					-
Manager B	9/11/08	-3,016,117.29		-\$3,016,117.29	\$163,316,466.24
					-
Manager D	9/19/08		59,644.64	\$59,644.64	\$163,256,821.60
					-
Manage Z	9/19/08	-350,000.00		-\$350,000.00	\$163,606,821.60



Exhibit E2

Real Estate Cash Flows

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-001

PAGE
66

VENDOR: Distribution Copy

OF
81

Manager	Date	Cash Out	Cash In	Net Flow	Cum Flow
Manager M	5/17/06		581,812.13	\$581,812.13	\$581,812.13
Manager L	6/28/06	-785,400.00		-\$785,400.00	-\$203,587.87
Manager A	7/7/06	-4,900,426.83		-\$4,900,426.83	-\$5,104,014.70
Manager D	7/13/06		151,717.45	\$151,717.45	-\$4,952,297.25
Manager C	8/9/06	-807,840.00		-\$807,840.00	-\$5,760,137.25
Manager S	8/15/06		74,477.36	\$74,477.36	-\$5,685,659.89
Manager X	8/15/06		365,961.84	\$365,961.84	-\$5,319,698.05
Manager A	9/21/06	-650,760.00		-\$650,760.00	-\$5,970,458.05
		-		-	
Manager B	9/28/06	10,039,842.00		\$10,039,842.00	-\$16,010,300.05
Manager D	10/4/06	-2,306,712.00		-\$2,306,712.00	-\$18,317,012.05
		-		-	
Manager Z	10/13/06	18,034,079.00		\$18,034,079.00	-\$36,351,091.05
Manager F	10/13/06		124,323.75	\$124,323.75	-\$36,226,767.30
Manager E	10/18/06		50,190.00	\$50,190.00	-\$36,176,577.30
Manager K	10/18/06		1,204,543.00	\$1,204,543.00	-\$34,972,034.30
Manager M	10/25/06		48,413.00	\$48,413.00	-\$34,923,621.30
Manager L	10/25/06		940,891.00	\$940,891.00	-\$33,982,730.30
		-		-	
Manager M	11/7/06	18,129,191.00		\$18,129,191.00	-\$52,111,921.30
Manager L	11/13/06		370,741.95	\$370,741.95	-\$51,741,179.35
Manager A	11/17/06	-9,272,432.00		-\$9,272,432.00	-\$61,013,611.35
Manager D	11/29/06	-396,118.21		-\$396,118.21	-\$61,409,729.56
Manager C	12/6/06	-4,488,000.00		-\$4,488,000.00	-\$65,897,729.56
Manager S	12/6/06		77,164.00	\$77,164.00	-\$65,820,565.56
Manager X	12/6/06		3,006,379.00	\$3,006,379.00	-\$62,814,186.56
Manager A	12/12/06	-4,637,502.00		-\$4,637,502.00	-\$67,451,688.56
Manager B	1/16/07		247,154.35	\$247,154.35	-\$67,204,534.21
Manager D	1/23/07	-847,100.00		-\$847,100.00	-\$68,051,634.21
Manager Z	1/30/07	-6,000,000.00		-\$6,000,000.00	-\$74,051,634.21
Manager F	1/30/07	-1,597,513.71		-\$1,597,513.71	-\$75,649,147.92
Manager E	1/30/07	-753,526.00		-\$753,526.00	-\$76,402,673.92
Manager K	1/30/07		307,072.00	\$307,072.00	-\$76,095,601.92
Manager M	2/28/07	-4,637,502.00		-\$4,637,502.00	-\$80,733,103.92
Manager L	3/9/07	-1,458,600.00		-\$1,458,600.00	-\$82,191,703.92
Manager M	3/15/07		402,887.98	\$402,887.98	-\$81,788,815.94
Manager L	3/29/07	-4,045,462.58		-\$4,045,462.58	-\$85,834,278.52
Manager A	4/16/07		265,936.31	\$265,936.31	-\$85,568,342.21
Manager D	5/2/07	-5,760,369.00		-\$5,760,369.00	-\$91,328,711.21
Manager C	5/3/07	-5,500,000.00		-\$5,500,000.00	-\$96,828,711.21
Manager S	5/3/07	-3,091,668.00		-\$3,091,668.00	-\$99,920,379.21
Manager X	5/15/07		460,628.83	\$460,628.83	-\$99,459,750.38
Manager A	5/17/07		211,775.00	\$211,775.00	-\$99,247,975.38
Manager B	5/17/07		1,704,364.00	\$1,704,364.00	-\$97,543,611.38
Manager D	5/17/07		2,222,636.00	\$2,222,636.00	-\$95,320,975.38
Manager Z	5/30/07	-2,117,750.00		-\$2,117,750.00	-\$97,438,725.38



Exhibit E2

Real Estate Cash Flows

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-001

PAGE
67

VENDOR: Distribution Copy

OF
81

Manager F	6/25/07	220,198.00	\$220,198.00	-\$97,218,527.38
Manager E	6/25/07	2,270,642.00	\$2,270,642.00	-\$94,947,885.38
		-	-	-
Manager K	6/29/07	12,240,000.00	\$12,240,000.00	\$107,187,885.38
				-
Manager M	6/29/07	19,243.00	\$19,243.00	\$107,168,642.38
				-
Manager L	6/29/07	3,907,757.00	\$3,907,757.00	\$103,260,885.38
				-
Manager M	7/2/07	-525,660.00	-\$525,660.00	\$103,786,545.38
				-
Manager L	7/12/07	-4,070,661.00	-\$4,070,661.00	\$107,857,206.38
				-
Manager A	7/12/07	254,130.00	\$254,130.00	\$107,603,076.38
				-
Manager D	7/13/07	-7,898,466.00	-\$7,898,466.00	\$115,501,542.38
				-
Manager C	7/13/07	-4,637,502.00	-\$4,637,502.00	\$120,139,044.38
				-
Manager S	7/13/07	276,100.84	\$276,100.84	\$119,862,943.54
				-
Manager X	7/26/07	100,052.00	\$100,052.00	\$119,762,891.54
				-
Manager A	7/26/07	1,466,258.00	\$1,466,258.00	\$118,296,633.54
				-
Manager B	8/1/07	-5,565,002.00	-\$5,565,002.00	\$123,861,635.54
				-
Manager D	8/9/07	-9,470,332.00	-\$9,470,332.00	\$133,331,967.54
				-
Manage Z	8/9/07	-1,448.00	-\$1,448.00	\$133,333,415.54
				-
Manager F	8/9/07	48,813.00	\$48,813.00	\$133,284,602.54
				-
Manager E	8/9/07	1,177,264.00	\$1,177,264.00	\$132,107,338.54
				-
Manager K	8/15/07	541,557.30	\$541,557.30	\$131,565,781.24
				-
Manager M	8/20/07	-899,272.62	-\$899,272.62	\$132,465,053.86
				-
Manager L	8/22/07	5,197,801.01	\$5,197,801.01	\$127,267,252.85
				-
Manager M	8/22/07	6,273,291.13	\$6,273,291.13	\$120,993,961.72
				-
Manager L	9/18/07	-6,583,222.00	-\$6,583,222.00	\$127,577,183.72
				-
Manager A	9/24/07	-8,502,087.00	-\$8,502,087.00	\$136,079,270.72
				-
Manager D	9/24/07	-3,500,000.00	-\$3,500,000.00	\$139,579,270.72
				-
Manager C	9/25/07	150,191.00	\$150,191.00	\$139,429,079.72
				-
Manager S	9/25/07	1,426,948.00	\$1,426,948.00	\$138,002,131.72



Exhibit E2

Real Estate Cash Flows

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-001

PAGE
68

VENDOR: Distribution Copy

OF
81

Manager X	9/26/07	-	19,995,132.00	\$19,995,132.00	\$157,997,263.72
Manager A	9/27/07	-6,415,347.00		-\$6,415,347.00	\$164,412,610.72
Manager B	9/28/07	-8,262,000.00		-\$8,262,000.00	\$172,674,610.72
Manager D	10/4/07	-3,375,265.00		-\$3,375,265.00	\$176,049,875.72
Manager Z	10/4/07	-181,250.00		-\$181,250.00	\$176,231,125.72
Manager F	10/5/07	-332,907.86		-\$332,907.86	\$176,564,033.58
Manager E	10/5/07		181,250.00	\$181,250.00	\$176,382,783.58
Manager K	10/10/07		262,601.00	\$262,601.00	\$176,120,182.58
Manager M	10/12/07	-1,771,878.00		-\$1,771,878.00	\$177,892,060.58
Manager L	10/12/07	-181,250.00		-\$181,250.00	\$178,073,310.58
Manager M	10/12/07		300,606.20	\$300,606.20	\$177,772,704.38
Manager L	10/15/07	-1,327,417.41		-\$1,327,417.41	\$179,100,121.79
Manager A	10/16/07	-2,117,750.00		-\$2,117,750.00	\$181,217,871.79
Manager D	10/22/07	10,447,947.00		\$10,447,947.00	\$191,665,818.79
Manager C	10/25/07		478,095.59	\$478,095.59	\$191,187,723.20
Manager S	10/26/07		1,171,179.00	\$1,171,179.00	\$190,016,544.20
Manager X	11/5/07	-2,281,250.00		-\$2,281,250.00	\$192,297,794.20
Manager A	11/5/07		78,240.00	\$78,240.00	\$192,219,554.20
Manager B	11/5/07		2,617,809.00	\$2,617,809.00	\$189,601,745.20
Manager D	11/13/07	-431,250.00		-\$431,250.00	\$190,032,995.20
Manager Z	11/15/07	-4,992,320.00		-\$4,992,320.00	\$195,025,315.20
Manager F	11/19/07	-9,318,100.00		-\$9,318,100.00	\$204,343,415.20
Manager E	11/20/07	-6,030,267.67		-\$6,030,267.67	\$210,373,682.87
Manager K	11/21/07	-4,000,000.00		-\$4,000,000.00	\$214,373,682.87
Manager M	12/3/07	-5,333,333.00		-\$5,333,333.00	\$219,707,015.87
Manager L	12/11/07	-9,275,004.00		-\$9,275,004.00	\$228,982,019.87



Exhibit E2

Real Estate Cash Flows

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-001

PAGE
69

VENDOR: Distribution Copy

OF
81

Manager M	12/11/07	-372,668.00		-\$372,668.00	\$229,354,687.87
					-
Manager L	12/17/07	-829,973.00		-\$829,973.00	\$230,184,660.87
					-
Manager A	12/19/07	-7,785,719.00		-\$7,785,719.00	\$237,970,379.87
					-
Manager D	12/31/07	-7,283,000.00		-\$7,283,000.00	\$245,253,379.87
					-
Manager C	12/31/07		279,543.00	\$279,543.00	\$244,973,836.87
					-
Manager S	1/4/08		20,920.00	\$20,920.00	\$244,952,916.87
					-
Manager X	1/4/08		1,655,104.00	\$1,655,104.00	\$243,297,812.87
					-
Manager A	1/10/08	-5,225,000.00		-\$5,225,000.00	\$248,522,812.87
					-
Manager B	1/10/08	-3,272,008.00		-\$3,272,008.00	\$251,794,820.87
					-
Manager D	1/10/08	-1,638,750.00		-\$1,638,750.00	\$253,433,570.87
					-
Manager Z	1/10/08	-181,250.00		-\$181,250.00	\$253,614,820.87
					-
Manager F	1/16/08		275,026.29	\$275,026.29	\$253,339,794.58
					-
Manager E	1/18/08	-168,750.00		-\$168,750.00	\$253,508,544.58
					-
Manager K	1/23/08	-105,055.00		-\$105,055.00	\$253,613,599.58
					-
Manager M	1/28/08	-6,000,000.00		-\$6,000,000.00	\$259,613,599.58
					-
Manager L	2/1/08	-5,333,333.00		-\$5,333,333.00	\$264,946,932.58
					-
Manager M	2/4/08		1,786,667.00	\$1,786,667.00	\$263,160,265.58
					-
Manager L	2/5/08	-4,393,750.00		-\$4,393,750.00	\$267,554,015.58
					-
Manager A	2/7/08		45,391.00	\$45,391.00	\$267,508,624.58
					-
Manager D	2/7/08		1,298,865.00	\$1,298,865.00	\$266,209,759.58
					-
Manager C	2/13/08	-3,643,364.09		-\$3,643,364.09	\$269,853,123.67
					-
Manager S	2/13/08	-2,500,000.00		-\$2,500,000.00	\$272,353,123.67
					-
Manager X	2/13/08	-285,000.00		-\$285,000.00	\$272,638,123.67
					-
Manager A	2/13/08	-194,081.04		-\$194,081.04	\$272,832,204.71
					-
Manager B	2/13/08	-58,698.64		-\$58,698.64	\$272,890,903.35
					-
Manager D	2/27/08	-53,298.00		-\$53,298.00	\$272,944,201.35



Exhibit E2

Real Estate Cash Flows

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-001

PAGE
70

VENDOR: Distribution Copy

OF
81

Manage Z	3/18/08	-579,593.00		-\$579,593.00	\$273,523,794.35
					-
Manager F	3/18/08	-33,018.00		-\$33,018.00	\$273,556,812.35
					-
Manager E	3/24/08	-5,757,052.00		-\$5,757,052.00	\$279,313,864.35
					-
Manager K	3/26/08	-5,000,000.00		-\$5,000,000.00	\$284,313,864.35
					-
Manager M	3/27/08	-2,117,750.00		-\$2,117,750.00	\$286,431,614.35
					-
Manager L	3/27/08	-275,400.00		-\$275,400.00	\$286,707,014.35
					-
Manager M	3/31/08	-3,121,000.00		-\$3,121,000.00	\$289,828,014.35
					-
Manager L	3/31/08	-2,600,000.00		-\$2,600,000.00	\$292,428,014.35
					-
Manager A	3/31/08	-164,098.00		-\$164,098.00	\$292,592,112.35
					-
Manager D	4/4/08	-5,650,603.00		-\$5,650,603.00	\$298,242,715.35
					-
Manager C	4/4/08		465,905.00	\$465,905.00	\$297,776,810.35
					-
Manager S	4/7/08	-1,943,507.65		-\$1,943,507.65	\$299,720,318.00
					-
Manager X	4/10/08	-181,250.00		-\$181,250.00	\$299,901,568.00
					-
Manager A	4/17/08	-5,080,703.00		-\$5,080,703.00	\$304,982,271.00
					-
Manager B	4/17/08	-168,750.00		-\$168,750.00	\$305,151,021.00
					-
Manager D	4/17/08		231,294.42	\$231,294.42	\$304,919,726.58
					-
Manage Z	4/18/08		2,353,932.81	\$2,353,932.81	\$302,565,793.77
					-
Manager F	4/30/08	-6,353,250.00		-\$6,353,250.00	\$308,919,043.77
					-
Manager E	5/6/08	31,668,542.00		\$31,668,542.00	\$340,587,585.77
					-
Manager K	5/12/08	-4,426,870.14		-\$4,426,870.14	\$345,014,455.91
					-
Manager M	5/15/08	-36,811.00		-\$36,811.00	\$345,051,266.91
					-
Manager L	5/16/08	-688,500.00		-\$688,500.00	\$345,739,766.91
					-
Manager M	5/23/08	-342.86		-\$342.86	\$345,740,109.77
					-
Manager L	5/23/08		4,634,254.27	\$4,634,254.27	\$341,105,855.50
					-
Manager A	5/28/08	-2,052,500.00		-\$2,052,500.00	\$343,158,355.50
					-
Manager D	6/6/08	-2,500,000.00		-\$2,500,000.00	\$345,658,355.50



Exhibit E2

Real Estate Cash Flows

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-001

PAGE
71

VENDOR: Distribution Copy

OF
81

Manager C	6/6/08	14,311.45	\$14,311.45	\$345,644,044.05
Manager S	6/6/08	655,691.17	\$655,691.17	\$344,988,352.88
Manager X	6/9/08	26,028.00	\$26,028.00	\$344,962,324.88
Manager A	6/10/08	344,867.70	\$344,867.70	\$344,617,457.18
Manager B	6/17/08	-927,500.00	-\$927,500.00	\$345,544,957.18
Manager D	6/20/08	-14,341.00	-\$14,341.00	\$345,559,298.18
Manager Z	6/25/08	14,122,565.09	\$14,122,565.09	\$359,681,863.27
Manager F	6/25/08	-3,165,831.00	-\$3,165,831.00	\$362,847,694.27
Manager E	6/25/08	-17,057.00	-\$17,057.00	\$362,864,751.27
Manager K	6/26/08	-1,179,926.59	-\$1,179,926.59	\$364,044,677.86
Manager M	6/26/08	-591,010.00	-\$591,010.00	\$364,635,687.86
Manager L	6/30/08	-4,162,000.00	-\$4,162,000.00	\$368,797,687.86
Manager M	6/30/08	-164,098.00	-\$164,098.00	\$368,961,785.86
Manager L	7/7/08	-7,368,294.83	-\$7,368,294.83	\$376,330,080.69
Manager A	7/8/08	-423,550.00	-\$423,550.00	\$376,753,630.69
Manager D	7/10/08	-6,109,529.00	-\$6,109,529.00	\$382,863,159.69
Manager C	7/10/08	-181,250.00	-\$181,250.00	\$383,044,409.69
Manager S	7/11/08	-3,625,517.00	-\$3,625,517.00	\$386,669,926.69
Manager X	7/14/08	274,317.19	\$274,317.19	\$386,395,609.50
Manager A	7/15/08	550,615.00	\$550,615.00	\$385,844,994.50
Manager B	7/16/08	-15,109.00	-\$15,109.00	\$385,860,103.50
Manager D	7/18/08	-859,763.52	-\$859,763.52	\$386,719,867.02
Manager Z	7/22/08	-3,684,147.42	-\$3,684,147.42	\$390,404,014.44
Manager F	7/24/08	-168,750.00	-\$168,750.00	\$390,572,764.44
Manager E	7/24/08	40,457.68	\$40,457.68	\$390,532,306.76
Manager K	7/25/08	-448,800.00	-\$448,800.00	\$390,981,106.76



Exhibit E2

Real Estate Cash Flows

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-001

PAGE
72

VENDOR: Distribution Copy

OF
81

Manager M	7/28/08	-6,366,250.00		-\$6,366,250.00	\$397,347,356.76
					-
Manager L	7/28/08	-1,753,125.00		-\$1,753,125.00	\$399,100,481.76
					-
Manager M	7/29/08	-28,977.00		-\$28,977.00	\$399,129,458.76
					-
Manager L	7/31/08	-975,462.17		-\$975,462.17	\$400,104,920.93
					-
Manager A	8/4/08	-3,357,070.19		-\$3,357,070.19	\$403,461,991.12
					-
Manager D	8/5/08	-894,944.94		-\$894,944.94	\$404,356,936.06
					-
Manager C	8/13/08	-3,500,000.00		-\$3,500,000.00	\$407,856,936.06
					-
Manager S	8/13/08	-1,955,306.92		-\$1,955,306.92	\$409,812,242.98
					-
Manager X	8/14/08		698,069.83	\$698,069.83	\$409,114,173.15
					-
Manager A	8/18/08	-1,416,263.99		-\$1,416,263.99	\$410,530,437.14
					-
Manager B	8/21/08	-5,922,035.00		-\$5,922,035.00	\$416,452,472.14
					-
Manager D	8/26/08	-2,500,000.00		-\$2,500,000.00	\$418,952,472.14
					-
Manager Z	8/28/08		3,058,000.00	\$3,058,000.00	\$415,894,472.14
					-
Manager F	8/28/08	-3,934,066.63		-\$3,934,066.63	\$419,828,538.77
					-
Manager E	8/29/08		660,153.02	\$660,153.02	\$419,168,385.75
					-
Manager K	9/4/08	-2,186,787.00		-\$2,186,787.00	\$421,355,172.75
					-
Manager M	9/15/08	-8,539,477.11		-\$8,539,477.11	\$429,894,649.86
					-
Manager L	9/18/08	-843,061.00		-\$843,061.00	\$430,737,710.86



Exhibit F

Track Record Presentation

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE
73

VENDOR: Distribution Copy

OF
81

[Firm Insert Name]

Performance Composite Separate Account - Part 1 - Actual & Equalized Commitments

Performance As of:

Vintage Year Returns - Actual Client Data					Benchmark IRRs			Equal Weighted Data		
Vintage Year	Actual Committed	Actual Invested	TVPI	Net IRR	Upper Quartile	Median Quartile	Lower Quartile	Equalized Committed	TVPI	Net IRR

DEFINITIONS:

Define Composites: The manager should clearly define composition of track record and any investment types excluded.

Performance Results: The performance results should be measured in U.S. dollars as of March 31, 2008. Actual Committed amounts represent the total capital pledged by the manager or its clients to private equity funds. Performance information should be presented on an time-weighted internal rate of return ("IRR") and Total Value to Paid-In Capital ("TVPI") basis.

-

Equal-Weight Commitments: To mitigate the effect of commitment size on performance results, present the time-weighted IRR and TVPI returns as if calculated on an equal-weighted basis whereby each underlying private equity fund is modeled to have received the same dollar commitment.

-

Fees: The IRRs presented should be net of underlying private equity investment manager fees, transaction expenses and carried interest charges, but exclusive of investment advisor fees for prime partnership investments and co-investment funds.

Performance data for direct co-investments should display absolute return data estimates/actuals for determining time weighted IRR & TVPI

Benchmarks: Upper, median and lower quartile IRRs should be sourced from Thomson VentureXpert as of March 31, 2008. Benchmark performance should include venture capital, growth capital, buyouts, turnaround, and mezzanine funds.

-

Vintage Year: "Vintage Year" is defined as the year in which private equity funds first draw down or call capital from investors

-

-

-

-

-



Exhibit F

Track Record Presentation

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE
74

VENDOR: Distribution Copy

OF
81

Separate Accounts - Part 2

List of Investments - Funds either invested by your firm or recommended to your client base in which they subsequently committed to.

Performance As of:

	Investment Name	Date of Investment	Private Equity Asset Class ^a	# of Clients/ FOFs	Total Amount Subscribed	Vintage Year
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

Note (a) Private Equity Asset Class Coding. By Fund Size

Corp Finance	Buyout - Mega	BOMa
	Buyout - Large	BOL
	Buyout - Mid	BOM
	Buyout - Small	BOS
Special Situations	Infrastructure	SSI
	Energy	SSE
	Distressed Debt	SSDD
	Other	SSO
Venture	Seed/Early	VCSE
	Late Stage	VCL
	Growth Equity	VCGE
	Balanced	VCB



Exhibit G

Investment Manager List

**Arizona State
Retirement System**
3300 N. Central Avenue,
Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE
75

VENDOR: Distribution Copy

OF
81

Back Office Services RFP Estimated Investment Manager List As of July 21, 2008

Private Equity

<u>Fund Name</u>	<u>Asset Class</u>	<u>Capital Commitment</u>
Contracts Executed		21 Managers
1	Bridgepoint Euro IV	Buyout - Corp Finance \$45.0
2	Crown European BO II	Buyout - Corp Finance \$28.2
3	JLL VI	Buyout - Corp Finance \$40.0
4	LLR III	Buyout - Corp Finance \$30.0
5	Nautic VI	Buyout - Corp Finance \$40.0
6	New Mountain III	Buyout - Corp Finance \$40.0
7	Pine Brook Capital	Buyout - Corp Finance \$30.0
8	Resolute II	Buyout - Corp Finance \$40.0
9	Silver Lake III	Buyout - Corp Finance \$40.0
10	TH Lee VI	Buyout - Corp Finance \$50.0
11	Warburg Pincus X	Buyout - Corp Finance \$50.0
12	Paul Capital IX	Secondaries \$50.0
13	Quantum Energy V	Special Sits - Energy \$50.0
14	Apollo VII	Special Sits - Distressed \$50.0
15	Levine Leichtman III	Special Sits - Distressed \$50.0
16	Platinum Equity II	Special Sits - Distressed \$40.0
17	Wayzata II	Special Sits - Distressed \$40.0
18	CMEA VII	Venture \$10.0
19	IDG SF	Venture \$10.0
20	Montreux IV	Venture \$10.0
21	Peninsula II	Venture \$10.0
Managers in Diligence		11 Managers
1	YAAF	Buyout - Corp Finance \$40.0
2	Blackstone VI	Buyout - Corp Finance \$80.0
3	Accel-KKR	Buyout - Corp Finance \$40.0
4	Lincolnshire IV	Buyout - Corp Finance \$40.0
5	Partners Group	Secondaries \$65.0
6	Saybrook COP	Special Sits - Distressed \$40.0
7	NAV III	Venture \$10.0
8	Paladin III	Venture \$15.0
9	Atlas VIII	Venture \$15.0
10	DAG	Venture \$15.0



Exhibit G

Investment Manager List

**Arizona State
Retirement System**
3300 N. Central Avenue,
Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE
76

VENDOR: Distribution Copy

OF
81

11 TL Ventures VII Venture \$10.0

Six (6) Near Term Managers for Initial Presentation to PEC (Not Inclusive)

1	Onex	Buyout - Corp Finance	\$50.0
2	Oakhill	Buyout - Corp Finance	\$50.0
3	Babcock & Brown	Infrastructure	\$40.0
4	First Reserve	Special Sits - Energy	\$80.0
5	TCW Mezzanine	Special Sits- Mezzanine	\$70.0
6	TH Lee Mezz	Special Sits- Mezzanine	\$50.0

Totals 38 Managers \$1,463.2

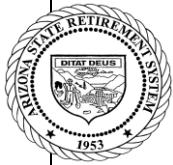


Exhibit H

Summary of Services

Arizona State Retirement System
3300 N. Central Avenue,
Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE
77

VENDOR: Distribution Copy

OF
81

Summary of Services: Applicable to Services A, B, and C

Types of Funds and Vehicles: Private Equity, Real Estate, and Opportunistic Investment

- Buyout
- Distressed Debt
- Specialty
- Venture Capital
- Mezzanine Debt
- Real Estate
- Employee
- Mezzanine Debt
- Fund-of-Funds
- SBIC
- Secondary
- Co-Investment (Direct & FOF Type)

Types of Entities:

- Master Funds, Feeder Funds, • General Partner Funds, • Management Funds
- Co-Invest Funds

Transaction Entities

- Carry Vehicle, • Employee Fund, • Hybrid, • Joint Venture Vehicles

Administrative Services:

- Sharing of best practices
- Review of offering materials
- Investor/contact database management
- Capital call and distribution processing
- Books and records maintenance and reconciliations
- Developing fund economic models
- Allocations of profits and losses
- Capital account maintenance
- Financial reporting
- ASRS reporting
- Investment reporting, & monitoring,
- Audit assistance
- Performance measurement
- Archival Services (All Investment Fund Documents and Correspondence)
- Cash Flow Log and Reporting

Tax Services:

- Prepare tax returns and reporting as applicable
- Maintain tax basis of investments
- Foreign & state withholding services
- Prepare schedule K-1s and/or equivalents
- Maintain tax capital accounts
- Tax planning strategies

Investor Services:

- Prepare and disseminate capital call notices
- Disseminate other investor correspondence
- Prepare and disseminate distribution notices
- Web-based reporting and Archival Systems

Other Services:

- Maintain statutory and regulatory governance compliance for corporate entities, partnerships and trusts: Bahamas, Bermuda, British Virgin Islands, Cayman Islands, Luxembourg, etc.
- Offshore Cash Administration
- Education and Training
 - ASRS Investment Management Division (Deal Diligence and Investment Process, Web Access & Technology capability to develop special reports)
 - ASRS Finance Services Division



Exhibit I

Back Office Transition Plan

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE
78

VENDOR: Distribution Copy

OF
81

TRANSITION PLAN - ASRS BACK OFFICE FUNCTIONS

Task	Responsible Party	Responsible Division	Start Date	End Date
Capital Calls				
Review capital calls & distribution notices from LPs.				
Verify partnership management fees & carry calculations.				
Prepare wire transfer execution paperwork.				
Transfer authorization.				
Reconcile to custodial bank and LP financial statements.				
Reports - Fees				
Prepare quarterly report of management fees charged for each fund.				
Prepare an annual report of admission and carried interest charged.				
Financial Statements				
Distribute ASRS developed financial spreadsheets to all LPs				
Provide ASRS staff with completed spreadsheets from LPs.				
Task	Responsible Party	Responsible Division	Start Date	End Date



Exhibit I

Back Office Transition Plan

**Arizona State Retirement
System**
3300 N. Central Avenue, Suite
1300
Phoenix, AZ 85012

SOLICITATION NO.: RT09-003

PAGE
79

VENDOR: Distribution Copy

OF
81

Reconcile spreadsheets to quarterly financial statements & capital statements.				
Prepare ASRS developed summary spreadsheet of all reconciled quarterly financial statements.				
Prepare quarterly general ledger journal entries.				

Quarterly & Annual Reports

Prepare quarterly & annual market overview reports.				
Prepare reports on funded & unfunded outstanding commitment and cash flow activity.				
Valuation Information reports.				
Performance reports that include time weighted and internal rate of returns to relevant benchmark.				
Reports of investment fund analysis.				

Documents

Document review - financial, accounting & legal.				
Archive documents.				

End of Contract RT09-003 Document